By Mr. MCCAIN (for himself and Mr. BROWNBACK):

S. 1382. A bill to amend the Public Health Service Act to make grants to carry out certain activities toward promoting adoption counseling, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. SNOWE (for herself, Mr. REID, Mrs. MURRAY, Ms. MIKULSKI, Ms. COLLINS, Ms. LANDRIEU, Mrs. FEINSTEIN, Mrs. BOXER, Mrs. HUTCHISON, Mrs. LINCOLN, Mr. DASCHLE, Mr. CAMPBELL, and Mr. MACK):

S. Res. 141. A resolution to congratulate the United States Women's Soccer Team on winning the 1999 Women's World Cup Championship; considered and agreed to.

By Mr. BOND:

S. Res. 142. An original resolution authorizing expenditures by the Committee on Small Business; from the Committee on Small Business; to the Committee on Rules and Administration.

By Mr. WARNER:

S. Res. 143. An original resolution authorizing expenditures by the Committee on Armed Services; from the Committee on Armed Services; to the Committee on Rules and Administration.

By Mr. HATCH:

S. Res. 144. An original resolution authorizing expenditures by the Committee on the Judiciary; from the Committee on the Judiciary; to the Committee on Rules and Administration.

By Mr. MCCAIN:

S. Res. 145. An original resolution authorizing expenditures by the Committee on Commerce, Science, and Transportation; from the Committee on Commerce, Science, and Transportation; to the Committee on Rules and Administration.

By Mr. CHAFEE:

S. Res. 146. An original resolution authorizing expenditures by the Committee on Environment and Public Works; from the Committee on Environment and Public Works; to the Committee on Rules and Administration.

By Mr. GRAMM:

S. Res. 147. An original resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs; from the Committee on Banking, Housing, and Urban Affairs; to the Committee on Rules and Administration.

By Mr. HELMS:

S. Res. 148. An original resolution authorizing expenditures by the Committee on Foreign Relations; from the Committee on Foreign Relations; to the Committee on Rules and Administration.

By Mr. DOMENICI:

S. Res. 149. An original resolution authorizing expenditures by the Committee on the Budget; from the Committee on the Budget; to the Committee on Rules and Administration.

By Mr. ROTH:

S. Res. 150. An original resolution authorizing expenditures by the Committee on Finance; from the Committee on Finance; to the Committee on Rules and Administration.

By Mr. SPECTER:

S. Res. 151. An original resolution authorizing expenditures by the Committee on Veterans Affairs; from the Committee on Veterans Affairs; to the Committee on Rules and Administration.

By Mr. MCCONNELL:

S. Res. 152. An original resolution authorizing expenditures by the Committee on Rules and Administration; from the Committee on Rules and Administration; placed on the calendar.

By Mr. WELLSTONE:

S. Res. 153. A resolution urging the Parliament of Kuwait when it sits on July 17 to grant women the right to hold office and the right to vote; to the Committee on Foreign Relations.

By Mr. THOMPSON:

S. Res. 154. An original resolution authorizing expenditures by the Committee on Governmental Affairs; from the Committee on Governmental Affairs; to the Committee on Rules and Administration.

By Mr. GRASSLEY:

S. Res. 155. An original resolution authorizing expenditures by the Special Committee on Aging; from the Special Committee on Aging; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER (for himself, Mr. HELMS, Mr. BIDEN, Mr. DORGAN, and Mr. SCHUMER):

S. 1372. A bill to require the filing of Shippers' Export Declarations through the Automated Export System of the Department of the Treasury with respect to certain transactions of proliferation concern, and for other purposes; to the Committee on Governmental Affairs.

PROLIFERATION PREVENTION ENHANCEMENT ACT OF 1999

Mr. SPECTER. Mr. President, I have sought recognition today to introduce legislation that will help the United States achieve important non-proliferation and counter-proliferation goals by improving the process through which export data on shipments of proliferation concern is collected and analyzed. By requiring that export data related to shipments of proliferation concern be filed electronically, this legislation will make it possible for agencies with export control responsibilities to do their job more efficiently and effectively.

To minimize the administrative burden on exporters, my legislation phases in the electronic filing requirement 180 days after the Secretary of Commerce and the Secretary of the Treasury certify that a secure, Internet-based filing system is up and running. There is already an electronic filing system available, but the existing system is being replaced with an Internet-based system that will be easier to access and use. When the new Internet-based system is in place, and that is expected to happen by early next year, my legislation will require that shipments of proliferation concern be reported electronically. The net result of enacting this legislation will be enhanced export control monitoring and enforcement, with minimal burden to shippers and exporters.

Let me take a moment to provide some background information for my colleagues, to make it clear what my legislation does and why. Current law requires shippers, forwarders and exporters to file what is known as a Shipper's Export Declaration, or SED. The SED indicates what is being shipped, where it is going, who it is being shipped to. Most of these are now filed on paper, and it is a time consuming and difficult process to sort through all these paper SEDs to identify shipments of proliferation concern, to track them down and check them out. In 1995, the Customs Service and the Census Bureau created the Automated Export System, or AES, which makes it possible to submit SEDs electronically. With the SED information in electronic form, it is much easier to sort through the data and identify shipments of concern.

About ten percent of SEDs are currently filed in electronic form through AES, and almost ninety percent of the forms are filed on paper. The data from the ninety percent of SEDs that are filed on paper is not as easy to review as it could be, and it is not possible to do the type of cross-checking and analysis that is necessary to zero in on the shipments that export officials need to monitor closely, and in some cases, prevent from being shipped. For example, before the 1991 Persian Gulf War, the Iraqis had a very sophisticated procurement strategy for acquiring weapons of mass destruction. They broke down their purchase requests and instead of asking for everything they wanted from one or two companies, asked for a few items from a large number of suppliers. If the Iraqis had grouped their requests, their orders would have raised eyebrows. Someone would have become suspicious, either the suppliers or export enforcement officers who reviewed the export data. As it was, the Iraqis ordered relatively small quantities of dual use commodities, items that can be used to create weapons of mass destruction but also have perfectly ordinary commercial uses, and combined them with shipments from other suppliers, sometimes from other countries, to make weapons of mass destruction. If all SEDs on items of proliferation concern had been filed electronically, as they will be when my legislation is enacted, it would have been much easier to detect what the Iraqis were up to and take preventive action.

Not all of the shipments that are being reported on paper rather than electronically are of proliferation concern. Shippers in the United States export literally hundreds of thousands of items each month that do not raise proliferation concerns; agricultural products, toasters, automobiles, and all sorts of completely harmless goods. But there are other items that we have to watch more carefully; items that are on the Department of State's Munitions List or the Commerce Control List. My legislation will make it easier to track shipments of these items by requiring that SEDs be filed electronically for any item that is on the United

States Munitions List or the Commerce Control List. With this information available in electronic format, agencies with export control responsibilities will be able to enforce our export control laws more effectively and prevent proliferation of WMD. By limiting mandatory electronic filing to items that raise genuine concerns about proliferation, my legislation will maximize the benefit to our national security without unduly burdening shippers and exporters.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Proliferation Prevention Enhancement Act of 1999''.

SEC. 2. MANDATORY USE OF THE AUTOMATED EXPORT SYSTEM FOR FILING CERTAIN SHIPPERS' EXPORT DECLARATIONS.

(a) AUTHORITY.—Section 301 of title 13, United States Code, is amended by adding at the end the following new subsection:

''(h) The Secretary is authorized to require the filing of Shippers' Export Declarations under this chapter through an automated and electronic system for the filing of export information established by the Department of the Treasury.''.

(b) IMPLEMENTING REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Commerce and the Secretary of State, shall publish regulations in the Federal Register to require that, upon the effective date of those regulations, exporters (or their agents) who are required to file Shippers' Export Declarations under chapter 9 of title 13, United States Code, file such Declarations through the Automated Export System with respect to exports of items on the United States Munitions List or the Commerce Control List.

(2) ELEMENTS OF THE REGULATIONS.—The regulations referred to in paragraph (1) shall include at a minimum—

(A) provision for the establishment of online assistance services to be available for those individuals who must use the Automated Export System;

(B) provision for ensuring that an individual who is required to use the Automated Export System is able to print out from the System a validated record of the individual's submission, including the date of the submission and a serial number or other unique identifier for the export transaction; and

(C) a requirement that the Department of Commerce print out and maintain on file a paper copy or other acceptable back-up record of the individual's submission at a location selected by the Secretary of Commerce.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the regulations described in subsection (b) shall take effect 180 days after the Secretary of Commerce, the Secretary of the Treasury, and the Director of the National Institute of Standards and Technology jointly certify, by publishing in the Federal Register a notice, that a secure, Internet-based Automated Export System that is capable of handling the expected volume of information required to be filed under subsection (b), plus the anticipated volume from voluntary use of the Automated Export System, has been successfully implemented and tested.

SEC. 3. VOLUNTARY USE OF THE AUTOMATED EXPORT SYSTEM.

It is the sense of Congress that exporters (or their agents) who are required to file Shippers' Export Declarations under chapter 9 of title 13, United States Code, but who are not required under section 2(b) to file such Declarations using the Automated Export System, should do so.

SEC. 4. REPORT TO CONGRESS.

Not later than 180 days after the date of enactment of this Act, the Secretary of Commerce, in coordination with the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Energy, and the Director of Central Intelligence, shall submit a report to Congress setting forth—

(1) the advisability and feasibility of mandating electronic filing through the Automated Export System for all Shippers' Export Declarations;

(2) the manner in which data gathered through the Automated Export System can most effectively be used by other automated licensing systems administered by Federal agencies, including—

(A) the Defense Trade Application System of the Department of State;

(B) the Export Control Automated Support System of the Department of Commerce;

(C) the Foreign Disclosure and Technology Information System of the Department of Defense;

(D) the Proliferation Information Network System of the Department of Energy;

(E) the Enforcement Communication System of the Department of the Treasury; and

(F) the Export Control System of the Central Intelligence Agency; and

(3) a proposed timetable for any expansion of information required to be filed through the Automated Export System.

SEC. 5. DEFINITIONS.

In this Act:

(1) AUTOMATED EXPORT SYSTEM.—The term ''Automated Export System'' means the automated and electronic system for filing export information established under chapter 9 of title 13, United States Code, on June 19, 1995 (60 Federal Register 32040).

(2) COMMERCE CONTROL LIST.—The term ''Commerce Control List'' has the meaning given the term in section 774.1 of title 15, Code of Federal Regulations.

(3) SHIPPERS' EXPORT DECLARATION.—The term ''Shippers' Export Declaration'' means the export information filed under chapter 9 of title 13, United States Code, as described in part 30 of title 15, Code of Federal Regulations.

(4) UNITED STATES MUNITIONS LIST.—The term ''United States Munitions List'' means the list of items controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

Mr. BIDEN. Mr. President, there is no greater threat to our country than that posed by weapons of mass destruction. Nuclear, chemical or biological weapons—perhaps delivered by long-range guided missiles—could cause more destruction in a week or even a day than we suffered in all of the Vietnam war.

The United States has many nonproliferation and counterproliferation programs, but there are cracks in our organization for combating this terrible scourge.

The Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction, also know as the ''Deutch Commission,'' has found those cracks.

Yesterday the Commission gave America a blueprint for repairing them. We dare not ignore its analysis, any more than we would ignore termites in our homes.

My colleague and friend from Pennsylvania, Senator ARLEN SPECTER, also deserves special recognition today. The Commission was his idea; he secured its establishment and later ensured its continued existence. As Vice Chairman of the Commission, he worked to ensure that its recommendations would be practical and politically feasible.

Today Senator SPECTER is introducing legislation to implement one of the Deutch Commission recommendations: that we require electronic filing of Shippers' Export Declarations on a secure, Internet-based system.

This legislation will provide more timely and usable data for non-proliferation analysis by executive branch agencies, without causing any significant burden for exporters or endangering the traditional confidentiality of Shippers' Export Declarations.

I am pleased to be an initial cosponsor of this legislation and I am confident that it will be enacted.

Shippers' Export Declarations are already required under chapter 9 of title 13, United States Code. The content of those Declarations is prescribed in part 30 of title 15, Code of Federal Regulations. This legislation will not require any reporting by industry that is not already mandated under those regulations.

There is also an existing Automated Export System, but its use is voluntary and it has not gained much acceptance. This bill will require that shippers use an Internet-based Automated Export System, once it is certified as being secure and capable of handling the expected volume of information that would be filed.

I want to assure U.S. companies, as I have been assured, that this legislation will not cause difficulties for them. Exporters will have on-line assistance in filing their Declarations and will be able to double-check their Declarations for accuracy after filing them.

In addition, the Director of the National Institute of Standards and Technology, which maintains the security of unclassified Federal Government communications, must join in certifying that the Internet-based Automated Export System is ready for use and has been successfully tested.

That will ensure the continued confidentiality of these Declarations.

This is hardly a revolutionary bill. Rather, it is one discrete, rational measure that is needed to improve our defense against the spread of nuclear, chemical or biological weapons to countries or groups that could otherwise rain chaos and destruction upon our country and the whole world.

We simply must take this step, along with others recommended by the

Deutch Commission. For our own sake and for our children's sake as well, we absolutely must respond to the challenge of proliferation.

By Mr. FEINGOLD:

S. 1373. A bill to increase monitoring of the use of offsets in international defense trade; to the Committee on Foreign Relations.

DEFENSE OFFSETS DISCLOSURE ACT OF 1999

Mr. FEINGOLD. Mr. President, I rise today to introduce a bill that will help clarify the difficult subject of the use of offsets in international defense trade. This little known practice has a potentially tremendous impact on our domestic industry, international trade, and national security, yet is barely understood by either the public or private sectors. My bill, the ''Defense Offsets Disclosure Act of 1999'' seeks to expand the monitoring and reporting of offsets use so that policy makers and the public can better understand the impact on our economy.

Mr. President, what are offsets? Offsets are the entire range of industrial and commercial benefits that are provided to foreign governments as inducements, or conditions, for the purchase of military goods and services. Among techniques used to meet offset requirements are co-production, subcontracting, technology transfers, in-country procurement, marketing and financial assistance, and joint ventures. In other words, they are largely non-cash ''sweeteners'' attached to export sales of large military [and occasionally civilian] products, typically set forth in side agreements and provided to the purchasing country over a period of time.

My legislation would offer several measures to get a handle on the whole range of issues involved in the use of offsets:

First, my bill declares that it is the policy of the United States to pursue better monitoring of offsets, to promote fairness in international trade; and to ensure an appropriate level of foreign participation in the production of United States weapons systems. To fully understand the implications of offsets and the extent of their impact, we must have more information on offset agreements, particularly the indirect offset obligations that are otherwise invisible. While many of my colleagues can cite anecdotal evidence of companies harmed or jobs lost, we must develop a more effective mechanism to accurately quantify the impact of offsets.

Second, my bill expresses the sense of Congress that the Executive Branch should seek trade fairness through transparency and standardization of the use of offsets in international defense trade. In particular, the Secretaries of State and Commerce and the U.S. Trade Representative should raise the issues of transparency and standardization bilaterally at all suitable venues, and our government should initiate discussions on standards for use of offsets through appropriate multilateral fora. While some believe that offsets are a business practice best left to business to handle, the nature of the problem calls out for government-to-government discussion to ensure that an even playing field exists for all stakeholders in the international defense trade.

Third, the bill establishes a new requirement for more detailed information on offsets in Congressional notifications of government-to-government and commercial sales. Current law only requires notification of the existence of an offset agreement, with no details or follow up description of the measures used to fulfill the offset obligation. My bill will require a description of the offset agreement and its dollar value. It also calls for an additional report upon completion of an offset obligation which would identify all measures taken to fulfill the offset agreement identified earlier in its pre-sale Congressional notification. At least one defense contractor already has been willing to provide this information as part of its regular license application and has provided the size of the offset, its direct and indirect components, and a rough estimate of the likely measures it would use to fulfill its offset obligations. My bill should elicit similar useful information on all offset agreements.

Fourth, the bill expands a prohibition on incentive payments that I authored in 1993. That earlier provision prohibited the use of third party incentive payments to secure offset agreements in any sale subject to the Arms Export Control Act. My new bill expands the prohibition to include items ''exported'' or ''licensed''. The previous language addressed only ''sales''. The incentive payments provision in my bill should close any loopholes and clarify that incentive payments are not an acceptable component of any type of offset transaction.

Fifth, the bill requires the Administration to initiate a review to determine the feasibility, and the most effective means, of negotiating multilateral agreements on standards for the use of offsets. It also mandates a report on the Administration's activities in the area. Through international dialogue and coordination we can arrive at multilateral standards for the use of offsets in defense trade agreements. Whether you believe that offsets are merely an annoying, but ordinary, business practice, or hold the view that they pose a major long term threat to our labor force, our industries, and our national security, I believe it is both possible and necessary to develop some common ground for business practices worldwide.

Sixth, the bill requires the President to establish a high-level, nonpartisan commission to review the full range of current practices; the impact of the use of offsets; and the role of offsets in domestic industry, trade competitiveness, national security, and the globalization of the weapons industry. There needs to be broader public awareness and national debate by a range of concerned parties on the implications of offsets. A June 29 hearing on offsets in the House Subcommittee on Criminal Justice, Drug Policy, and Human Resources, at which I testified, was a good start, but more still must be done.

Mr. President, I first discovered the murky world of offsets in 1993 when I learned that the Wisconsin-based Beloit Corporation, a subsidiary of Harnischfeger Industries Inc., had been negatively affected by an apparent indirect offset arrangement between the Northrop Corporation and the government of Finland. Beloit was one of only three companies in the world that produced a particular type of large papermaking machine. In its efforts to sell one of these machines to the International Paper Company, Beloit became aware that Northrop had offered International Paper an incentive payment to select instead the machine offered by a Finnish company, Valmet. Northrop was promoting the purchase of the Valmet machinery as part of an agreement that would provide dollar-for-dollar offset credit on a deal with Finland to purchase sixty-four F–18 aircraft. This type of payment had the flavor of a kickback, distorted the practice of free enterprise, and threatened U.S. jobs. By lowering its bid—barely breaking even on the contract—to take into account the incentive payment offered by Northrop, Beloit did succeed in winning the contract. Nevertheless, the incident demonstrated to me the potential for offset obligations to have an impact on apparently unrelated domestic U.S. industries.

To address some of the immediate concerns raised by Beloit's experience, as I mentioned earlier, in 1993 I offered an amendment (which passed into law in 1994), to the Arms Export Control Act to prohibit incentive payments in the provision of offset credit. I wanted to clarify the Congress' disapproval of an activity that appeared to fall through the cracks of various existing acts. Neither the Anti-Kickback Act nor the Foreign Corrupt Practices Act seemed clearly to address issues raised by the payment being offered to International Paper in the Beloit case. The measure also expanded the requirements for Congressional notification of the existence, and to the extent possible, information on any offset agreement at the time of Congressional notification of a pending arms sale under the Arms Export Control Act. Last year, I offered additional language to expand further the prohibition on incentive payments and enhance the reporting requirement on offsets to include a description of the offset with dollar amounts. While my provisions were incorporated in the Security Assistance Act of 1998 as passed by the Senate Foreign Relations Committee, the legislation never made it to the floor.

Unfortunately, Mr. President, while Congress has tried to address specific problems encountered by companies in our states and districts, efforts to date have barely scratched the surface of the difficult subject of offsets. In fact, neither the legislative nor the executive branches has a full grasp of the breadth and complexity of the issue, although I know many are concerned about the potential impact of the use of offsets. From what we do know, it appears that there are several key areas affected by the practice of using offsets:

The domestic labor force and defense industrial base, particularly in the aerospace industry, impacted by the increasing role of overseas production in the defense industry;

The non-defense industrial sectors unintentionally harmed, as in the Beloit case, when defense contractors engage in indirect offset obligations;

The breadth of the U.S. economy potentially influenced by the growing globalization of the defense industry; and

The national security possibly threatened by joint ventures and growing reliance on foreign defense contractors, a concern recently highlighted in the Cox report on China's technology acquisition.

Mr. President, I believe my bill will allow us to collect better information on the use of offsets, to engage in an informed discussion on both the problem and viable policy options, and to encourage multilateral efforts to find common standards and solutions that will benefit us all. Only through these efforts can we hope to get a clear picture of the complex offset issue and ensure that their use does not produce negative consequences for the American labor force, the domestic industrial base, or our national security.

Mr. President, I ask that the bill be printed in the RECORD.

The bill follows:

S. 1373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Defense Offsets Disclosure Act of 1999''.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) A fair business environment is necessary to advance international trade, economic stability, and development worldwide, is beneficial for American workers and businesses, and is in the United States national interest.

(2) Mandated offset requirements can cause economic distortions in international defense trade and sabotage fairness and competitiveness, and may cause particular harm to small- and medium-sized businesses.

(3) The stated goal of supporting the national security needs of allied countries by assisting their defense industries through the use of offsets may no longer be sufficient justification for the practice.

(4) The use of offsets may lead to increasing dependence on foreign suppliers for the production of United States weapons systems.

(5) The offset demands required by some purchasing countries, including some of the United States closest allies, equal or exceed the value of the base contract they are intended to offset, mitigating much of the potential economic benefit of the exports.

(6) Offset demands often unduly inflate the prices of defense contracts.

(7) In some cases, United States contractors are required to provide indirect offsets which can negatively impact nondefense industrial sectors.

(8) Unilateral efforts by the United States to prohibit offsets may be impractical in the current era of globalization and would severely hinder the competitiveness of the United States defense industry in the global market.

(9) The development of global standards to manage and restrict demands for offsets would enhance United States efforts to mitigate the negative impact of offsets.

(b) DECLARATION OF POLICY.—Congress declares that the United States policy is to develop a workable system to monitor the use of offsets in the defense industry, to promote fairness in international trade, and to ensure an appropriate level of foreign participation in production of United States weapons systems.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the executive branch should pursue efforts to address trade fairness by making transparent and establishing standards for the use of offsets in international business transactions among United States trading partners and competitors;

(2) the Secretary of State, the Secretary of Commerce, and the United States Trade Representative, or their designees, should raise the need for transparency and other standards bilaterally with other industrialized nations at every suitable venue; and

(3) the United States Government should enter into discussions regarding the establishment of multilateral standards for the control of the use of offsets in international defense trade through the appropriate multilateral fora, including such organizations as the Transatlantic Economic Partnership, the Wassenaar Arrangement, the G-8, and the World Trade Organization.

SEC. 4. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Relations of the Senate;

(B) the Committee on International Relations of the House of Representatives;

(C) the Committees on Commerce of the Senate and the House of Representatives; and

(D) the Committees on Armed Services of the Senate and the House of Representatives.

(2) G–8.—The term ''G–8'' means the group consisting of France, Germany, Japan, the United Kingdom, the United States, Canada, Italy, and Russia established to facilitate economic cooperation among the eight major economic powers.

(3) OFFSET.—The term ''offset'' means the entire range of industrial and commercial benefits provided to foreign governments as an inducement or condition to purchase military goods or services, including benefits such as coproduction, licensed production, subcontracting, technology transfer, in-country procurement, marketing and financial assistance, and joint ventures.

(4) TRANSATLANTIC ECONOMIC PARTNERSHIP.—The term ''Transatlantic Economic Partnership'' means the joint commitment made by the United States and the European Union to reinforce their close relationship through an initiative involving the intensification and extension of multilateral and bilateral cooperation and common actions in the areas of trade and investment.

(5) WASSENAAR ARRANGEMENT.—The term ''Wassenaar Arrangement'' means the multilateral export control regime in which the United States participates that seeks to promote transparency and responsibility with regard to transfers of conventional armaments and sensitive dual-use items.

(6) WORLD TRADE ORGANIZATION.—The term ''World Trade Organization'' means the organization established pursuant to the WTO Agreement.

(7) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing The World Trade Organization entered into on April 15, 1994.

SEC. 5. REPORTING OF OFFSET AGREEMENTS.

(a) INITIAL REPORTING OF OFFSET AGREEMENTS.—

(1) GOVERNMENT-TO-GOVERNMENT SALES.—Section 36(b)(1) of the Arms Export Control Act (22 U.S.C. 2776(b)(1)) is amended—

(A) in the fourth sentence, by striking ''(if known on the date of transmittal of such certification)'' and inserting ''and a description of any offset agreement, including the dollar amount of the agreement''; and

(B) by inserting after the fourth sentence the following: ''Such description shall to the extent possible be available to the public.''.

(2) COMMERCIAL SALES.—Section 36(c)(1) of the Arms Export Control Act (22 U.S.C. 2776(c)(1)) is amended—

(A) in the second sentence, by striking ''(if known on the date of transmittal of such certification)'' and inserting ''and a description of any offset agreement, including the dollar amount of the agreement''; and

(B) by inserting after the fourth sentence the following: ''Such description shall to the extent possible be available to the public.''.

(b) REPORTING UPON COMPLETION OF OFFSET OBLIGATIONS.—Not later than 90 days after the fulfillment of an offset obligation made in conjunction with transactions reported in section 36 (b) or (c) of the Arms Export Control Act, the President shall submit a report to Congress identifying all measures taken to fulfill the offset obligations related to the sale. The report shall contain all the information required in section 36 (b) and (c) of the Arms Export Control Act, as well as any additional information that may not have been available at the time of the initial notification.

SEC. 6. EXPANDED PROHIBITION ON INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 39A(a) of the Arms Export Control Act (22 U.S.C. 2779a(a)) is amended—

(1) by inserting ''or licensed'' after ''sold''; and

(2) by inserting ''or export'' after ''sale''.

(b) DEFINITION OF UNITED STATES PERSON.—Section 39A(d)(3)(B)(ii) of the Arms Export Control Act (22 U.S.C. 2779a(d)(3)(B)(ii)) is amended by inserting ''or by an entity described in clause (i)'' after ''subparagraph (A)''.

SEC. 7. MULTILATERAL STRATEGY TO COMBAT OFFSETS.

(a) IN GENERAL.—The President shall initiate a review to determine the feasibility of establishing, and the most effective means of negotiating, multilateral agreements on standards for the use of offsets in international defense trade, with a goal of limiting all offset transactions.

(b) REPORT REQUIRED.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report containing a strategy for United States negotiations of multilateral agreements with

designated foreign countries that provide standards for the use of offsets with respect to the sale or licensing of defense articles or defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), and a timetable for entering into such multilateral agreements. One year after the date the report is submitted under the preceding sentence, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees a report detailing the progress toward reaching such multilateral agreements.

(c) REQUIRED INFORMATION.—The report required by subsection (b) shall include—

(1) a description of the United States efforts to pursue multilateral negotiations on standards for the use of offsets in international defense trade;

(2) an evaluation of existing multilateral fora as appropriate venues for establishing such negotiations;

(3) a description on a country-by-country basis of United States efforts to engage in negotiations to establish bilateral agreements with respect to the use of offsets in international defense trade; and

(4) an evaluation on a country-by-country basis of foreign government efforts to address the use of offsets in international defense trade.

(d) COMPTROLLER GENERAL REVIEW.—The Comptroller General of the United States shall monitor and periodically report to Congress on the progress in reaching a multilateral agreement.

SEC. 8. ESTABLISHMENT OF REVIEW COMMISSION.

(a) IN GENERAL.—There is established a National Commission on the Use of Offsets in Defense Trade (in this section referred to as the ''Commission'') to address all aspects of the use of offsets in international defense trade.

(b) COMMISSION MEMBERSHIP.—Not later than 60 days after the date of enactment of this Act, the President, in consultation with Congress, shall appoint 10 people to serve as members of the Commission. Commission membership shall include four representatives from the private sector, including one each from a labor organization, the defense manufacturing sector, academia, and an organization devoted to arms control; four from the executive branch, including one each from the Office of Management and budget, and the Departments of Commerce, Defense, and State; and two from the legislative branch, one each from among members of the Senate and the House of Representatives. The member designated from Office of Management and Budget will serve as Chairperson of the Commission. The President shall ensure that the Commission is nonpartisan and that the full range of perspectives on the subject of offsets in the defense industry is adequately represented.

(c) DUTIES.—The Commission shall be responsible for reviewing and reporting on—

(1) the full range of current practices by foreign governments requiring offsets in purchasing agreements and the extent and nature of offsets offered by United States and foreign defense industry contractors;

(2) the impact of the use of offsets on defense subcontractors and nondefense industrial sectors affected by indirect offsets; and

(3) the role of offsets, both direct and indirect, on domestic industry stability, United States trade competitiveness, national security, and the globalization of the weapons industry.

(d) COMMISSION REPORT.—Not later than 12 months after the Commission is established, the Commission shall submit a report to the appropriate congressional committees. The report shall include—

(1) an analysis of—

(A) the collateral impact of offsets on industry sectors that may be different than those of the contractor providing the offsets, including estimates of contracts and jobs lost as well as an assessment of damage to industrial sectors;

(B) the role of offsets with respect to competitiveness of the United States defense industry in international trade and the potential damage to the ability of United States contractors to compete if offsets were prohibited;

(C) the impact on United States national security of the use of coproduction, subcontracting, and technology transfer with foreign governments or companies that result from fulfilling offset requirements; and

(D) the potential negative effects of the increasing globalization of the weapons industry through the use of offsets and the resultant implications for the United States ability to limit the proliferation of weapons and weapons technology;

(2) proposals for unilateral, bilateral, or multilateral measures aimed at reducing the detrimental effects of offsets; and

(3) an identification of the appropriate executive branch agencies to be responsible for monitoring the use of offsets in international defense trade.

(e) TERMINATION.—The Commission shall terminate not later than the date that is 3 years after the date of enactment of this Act.●

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1374. A bill to authorize the development and maintenance of a multi-agency campus project in the town of Jackson, Wyoming; to the Committee on Energy and Natural Resources.

MULTI-AGENCY VISITOR CAMPUS IN JACKSON, WYOMING

Mr. THOMAS. Mr. President, I am pleased to introduce a bill today to authorize the development and maintenance of a multi-agency campus in the town of Jackson, Wyoming.

The management of our public lands and natural resources is often complicated and requires the coordination of many individuals to accomplish desired objectives. When western folks discuss federal land issues, we do not often have an opportunity to identify proposals that capture this type of consensus and enjoy the support from a wide array of interests; however, the multi-agency campus offers just such a unique prospect. As local, state and federal officials attempt to provide services to the public, they have identified a need to develop a campus in Jackson, Wyoming that offers visitors ''one stop shopping'' service for wildlife, tourism and resource issues.

The multi-agency campus includes a wildlife interpretive center, facilities for public programs, walkways, bike paths, museum space, and office locations for Wyoming Game and Fish, U.S. Forest Service and the local chamber of commerce. There are several entities involved with this effort—U.S. Department of Agriculture, U.S. Forest Service, Wyoming Game and Fish, National Park Service, U.S. Fish and Wildlife, U.S. Department of Interior, Teton County, Town of Jackson, Jackson Chamber of Commerce and the Jackson Hole Historical Society. Project coordinators and involved parties have spent a great deal of time incorporating the concerns of various individuals through public meetings and by presenting their plans to agency and congressional representatives.

This legislation is needed to improve communication between the federal agencies and related entities, and reduce costs to federal, state and local governments as they attempt to address public needs. Specifically, the bill would allow the U.S. Forest Service to transfer a small parcel of their land within the proposed campus boundaries to the Town of Jackson in exchange for the Town constructing a new administrative facility for the agency.

Mr. President, this bill enjoys the support of many different groups including federal agencies, state organizations and officials, as well as the local community. It is my hope that the Senate will seize this opportunity to improve upon efforts to provide services to the American public.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Jackson Multi-Agency Campus Act of 1999''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the management of public land and natural resources and the service of the public in the area of Jackson, Wyoming, are responsibilities shared by—

(A) the Department of Agriculture;

(B) the Forest Service;

(C) the Department of the Interior, including—

(i) the National Park Service; and

(ii) the United States Fish and Wildlife Service;

(D) the Game and Fish Commission of the State of Wyoming;

(E) Teton County, Wyoming;

(F) the town of Jackson, Wyoming;

(G) the Jackson Chamber of Commerce; and

(H) the Jackson Hole Historical Society; and

(2) it is desirable to locate the administrative offices of several of the agencies and entities specified in paragraph (1) on 1 site to—

(A) facilitate communication between the agencies and entities;

(B) reduce costs to the Federal, State, and local governments; and

(C) better serve the public.

(b) PURPOSES.—The purposes of this Act are to—

(1) authorize the Federal agencies specified in subsection (a) to—

(A) develop and maintain the Project in Jackson, Wyoming, in cooperation with the other agencies and entities specified in subsection (a); and

(B) provide resources and enter into such agreements as are necessary for the planning, design, construction, operation, maintenance, and fixture modifications of all elements of the Project;

(2) direct the Secretary to convey to the town of Jackson, Wyoming, certain parcels

of federally owned land located in Teton County, Wyoming, in exchange for construction of facilities for the Bridger-Teton National Forest by the town of Jackson;

(3) direct the Secretary to convey to the Game and Fish Commission of the State of Wyoming certain parcels of federally owned land in the town of Jackson, Wyoming, in exchange for approximately 1.35 acres of land, also located in the town of Jackson, to be used in the construction of the Project; and

(4) relinquish certain reversionary interests of the United States in order to facilitate the transactions described in paragraphs (1) through (4).

SEC. 3. DEFINITIONS.

In this Act:

(1) COMMISSION.—The term ''Commission'' means the Game and Fish Commission of the State of Wyoming.

(2) CONSTRUCTION COST.—The term ''construction cost'' means any cost that is—

(A) associated with building improvements to Federal standards and guidelines; and

(B) open to a competitive bidding process approved by the Secretary.

(3) FEDERAL PARCEL.—The term ''Federal parcel'' means the parcel of land, and all appurtenances to the land, comprising approximately 15.3 acres, depicted as ''Bridger-Teton National Forest'' on the Map.

(4) MAP.—The term ''Map'' means the map entitled ''Multi-Agency Campus Project Site'', dated March 31, 1999, and on file in the offices of—

(A) the Bridger-Teton National Forest, in the State of Wyoming; and

(B) the Chief of the Forest Service.

(5) MASTER PLAN.—The term ''master plan'' means the document entitled ''Conceptual Master Plan'', dated July 14, 1998, and on file at the offices of—

(A) the Bridger-Teton National Forest, in the State of Wyoming; and

(B) the Chief of the Forest Service.

(6) PROJECT.—The term ''Project'' means the proposed project for construction of a multi-agency campus, to be carried out by the town of Jackson in cooperation with the other agencies and entities described in section 2(a)(1), to provide, in accordance with the master plan—

(A) administrative facilities for various agencies and entities; and

(B) interpretive, educational, and other facilities for visitors to the greater Yellowstone area.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture (including a designee of the Secretary).

(8) STATE PARCEL.—The term ''State parcel'' means the parcel of land comprising approximately 3 acres, depicted as ''Wyoming Game and Fish'' on the Map.

(9) TOWN.—The term ''town'' means the town of Jackson, Wyoming.

SEC. 4. MULTI-AGENCY CAMPUS PROJECT, JACKSON, WYOMING.

(a) CONSTRUCTION OFFERS FOR EXCHANGE OF PROPERTY.—

(1) IN GENERAL.—The town may offer to construct, as part of the Project, an administrative facility for the Bridger-Teton National Forest.

(2) CONVEYANCE.—If the offer described in paragraph (2) is made not later than 5 years after the date of enactment of this Act, the Secretary shall convey the Federal land described in section 5(a)(1) to the town, in exchange for the completed administrative facility described in this paragraph, in accordance with this Act.

(b) OFFER TO CONVEY STATE PARCEL.—

(1) IN GENERAL.—The Commission may offer to convey a portion of the State parcel, depicted on the Map as ''Parcel Three'', to the United States to be used for construction of an administrative facility for the Bridger-Teton National Forest.

(2) CONVEYANCE.—If the offer described in paragraph (2) is made not later than 5 years after the date of enactment of this Act, the Secretary shall convey, through a simultaneous conveyance, the Federal land described in section 5(a)(2) to the Commission, in exchange for the portion of the State parcel described in paragraph (2), in accordance with this Act.

SEC. 5. CONVEYANCE OF FEDERAL LAND.

(a) IN GENERAL.—In exchange for the consideration described in section 3, the Secretary shall convey—

(1) to the town, a portion of the Federal parcel, comprising approximately 9.3 acres, depicted on the Map as ''Parcel Two''; and

(2) to the Commission, a portion of the Federal parcel comprising approximately 3.2 acres, depicted on the Map as ''Parcel One''.

(b) REVERSIONARY INTERESTS.—As additional consideration for acceptance by the United States of any offer described in section 4, the United States shall relinquish all reversionary interests in the State parcel, as set forth in the deed between the United States and the State of Wyoming, dated February 19, 1957, and recorded on October 2, 1967, in Book 14 of Deeds, Page 382, in the records of Teton County, Wyoming.

SEC. 6. EQUAL VALUE OF INTERESTS EXCHANGED.

(a) VALUATION OF LAND TO BE CONVEYED.—

(1) IN GENERAL.—The fair market and improvement values of the land to be exchanged under this Act shall be determined—

(A) by appraisals acceptable to the Secretary, utilizing nationally recognized appraisal standards; and

(B) in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716).

(2) APPRAISAL REPORT.—Each appraisal report shall be written to Federal standards, as defined in the Uniform Appraisal Standards for Federal Land Acquisitions developed by the Interagency Land Acquisition Conference.

(3) NO EFFECT ON VALUE OF REVERSIONARY INTERESTS.—An appraisal of the State parcel shall not take into consideration any reversionary interest held by the United States in the State parcel as of the date on which the appraisal is conducted.

(b) VALUE OF FEDERAL LAND GREATER THAN CONSTRUCTION COSTS.—If the value of the Federal land to be conveyed to the town under section 5(a)(1) is greater than the construction costs to be paid by the town for the administrative facility described in section 4(a), the Secretary shall reduce the acreage of the Federal land conveyed so that the value of the Federal land conveyed to the town closely approximates the construction costs.

(c) VALUE OF FEDERAL LAND LESS THAN CONSTRUCTION COSTS.—If the value of the Federal land to be conveyed to the town under section 5(a)(1) is less than the construction costs to be paid by the town for the administrative facility described in section 4(a), the Secretary may convey to the town additional Federal land administered by the Secretary for national forest administrative site purposes in Teton County, Wyoming, so that the total value of the Federal land conveyed to the town closely approximates the construction costs.

(d) VALUE OF FEDERAL LAND EQUAL TO VALUE OF STATE PARCEL.—

(1) IN GENERAL.—The value of any Federal land conveyed to the Commission under section 5(a)(2) shall be equal to the value of the State parcel conveyed to the United States under section 4(b).

(2) BOUNDARIES.—The boundaries of the Federal land and the State parcel may be adjusted to equalize values.

(e) PAYMENT OF CASH EQUALIZATION.—Notwithstanding subsections (b) through (d), the values of Federal land and the State parcel may be equalized by payment of cash to the Secretary, the Commission, or the town, as appropriate, in accordance with section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), if the values cannot be equalized by adjusting the size of parcels to be conveyed or by conveying additional land, without compromising the design of the Project.

SEC. 7. ADDITIONAL PROVISIONS.

(a) CONSTRUCTION OF FEDERAL FACILITIES.—The construction of facilities on Federal land within the boundaries of the Project shall be—

(1) supervised and managed by the town; and

(2) carried out to standards and specifications approved by the Secretary.

(b) ACCESS.—The town (including contractors and subcontractors of the town) shall have access to the Federal land until completion of construction for all purposes related to construction of facilities under this Act.

(c) ADMINISTRATION OF LAND ACQUIRED BY UNITED STATES.—Land acquired by the United States under this Act shall be governed by all laws applicable to the administration of national forest sites.

(d) WETLAND.—

(1) IN GENERAL.—There shall be no construction of any facility after the date of conveyance of Federal land under this Act within any portion of the Federal parcel delineated on the map as ''wetlands''.

(2) DEEDS AND CONVEYANCE DOCUMENTS.—A deed or other conveyance document executed by the Secretary in carrying out this Act shall contain such reservations as are necessary to preclude development of wetland on any portion of the Federal parcel.

By Mr. LEAHY (for himself and Mr. KOHL):

S. 1375. A bill to amend the Immigration and Nationality Act to provide that aliens who commit act of torture abroad are inadmissible and removable and to establish within the Criminal Division of the Department of Justice an Office of Special Investigations having responsibilities under that Act with respect to all alien participants in act of genocide and torture abroad; to the Committee on the Judiciary.

THE ANTI-ATROCITY ALIEN DEPORTATION ACT

Mr. LEAHY. Mr. President, the recent events in Kosovo have been a graphic reminder that crimes against humanity did not end with the Second World War. Our treatment of those persecuted by the Nazis has long been regarded as a travesty. Blatant American anti-Semitism led to post-war immigration quotas that virtually shut out Jews coming from concentration camps while embracing German sympathizers.

In contrast to this country's dismal record in accepting Jewish refugees following the last world war, the United States has tried harder and done better in recent years to provide refuge to those persons fleeing homelands that have been ravaged by violence. For example, over the past five years, approximately 83,247 Bosnian refugees have been admitted to this country. During the latest hostilities in Kosovo, the Clinton Administration provided leadership to other nations by pledging

to take in as many as 20,000 Kosovar refugees.

Unfortunately, criminals who wielded machetes and guns against innocent civilians in countries like Haiti, Yugoslavia and Rwanda have been able to gain entry to the United States through the same doors that we have opened to deserving refugees. We need to lock that door to those war criminals who seek a safe haven in the United States. And to those war criminals who are already here, we should promptly show them the door out.

Our country has long provided the template and moral leadership for dealing with Nazi war criminals. The Justice Department has a specialized unit, the Offfice of Special Investigations (OSI), which was created to hunt down, prosecute and remove Nazi war criminals who had slipped into the United States among their victims under the Displaced Persons Act. Since the OSI's inception in 1979, 61 Nazi persecutors have been stripped of U.S. citizenship, 49 such individuals have been removed from the United States, and more than 150 have been denied entry.

OSI was created almost 35 years after the end of World War II and it remains authorized only to track Nazi war criminals. Little is being done about the new generation of international war criminals living among us, and these delays are costly. As any prosecutor—or, in my case, former prosecutor—knows instinctively, such delays make documentary and testimonial evidence more difficult to obtain. Stale cases are the hardest to make.

We should not repeat the mistake of waiting decades before tracking down war criminals and human rights abusers who have settled in this country. War criminals should find no sanctuary in loopholes in our current immigration policies and enforcement. No war criminal should ever come to believe that he is going to find safe harbor in the United States.

Too often, once war criminals slip through the immigration nets, they remain in the United States, unpunished for their crimes. In Vermont, news reports indicate that a Bosnian-Muslim man suspected of participating in ethnic cleansing during the Serbian war now is in Burlington. He has been identified by many people, including his own relatives, as a member of a Serbian paramilitary group responsible for the torture, rape, and murder of countless innocent people. We see the possibility that refugees now may encounter their persecutors thousands of miles away from their homeland, walking the streets of America.

This is not an isolated occurrence. The center for Justice and Accountability, a San Francisco human rights group, has identified approximately sixty suspected human rights violators now living in the United States. We have unwittingly sheltered the oppressors along with the oppressed for too long. We should not let this situation continue. We waited too long after the last world war to focus prosecutorial resources and attention on Nazi war criminals who entered this country on false pretenses. We should not repeat that mistake for other aliens who engaged in human rights abuses before coming to the United States. We need to focus the attention of our law enforcement investigators to prosecute and deport those who have committed atrocities abroad and who now enjoy safe harbor in the United States.

Despite U.S. ratification of the United Nations' ''Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment,'' current immigration law provides that those who participated in Nazi war crimes and genocide are inadmissible to and are removable from the United States, yet those who have committed the criminal act of torture are not. This leads to cases like that of Kelbessa Negewo, a member of the military dictatorship ruling Ethiopia in the 1970s, who has been found guilty of torture in a private civil action by an American court but who remains in the United States nonetheless because the Immigration and Naturalization Act does not provide explicit authority to investigate, denaturalize or remove him. The Leahy ''Anti-Atrocity Alien Deportation Act'' would close this loophole and make those who commit torture abroad inadmissible to and deportable from our country.

The ''Anti-Atrocity Alien Deportation Act,'' which I introduce today with Senator KOHL, would amend the Immigration and Nationality Act to expand the grounds for inadmissibility and deportation to cover aliens who have engaged in acts of torture abroad. ''Torture'' is already defined in the Federal criminal code, 18 U.S.C. §2340, in a law passed as part of the implementing legislation for the ''Convention Against Torture.'' Under this Convention, the United States has an affirmative duty to prosecute torturers within its boundaries regardless of their respective nationalities. 18 U.S.C. §2340A (1994).

This legislation would also provide statutory authorization for OSI, which currently owes its existence to an Attorney General order, and would expand its jurisdiction to authorize investigations, prosecutions, and removal of any alien who participated in torture and genocide abroad—not just Nazis. The success of OSI is hunting Nazi war criminals demonstrates the effectiveness of centralized resources and expertise in these cases. OSI has worked, and it is time to update its mission.

The knowledge of the people, politics and pathologies of particular regimes engaged in genocide and human rights abuses is often necessary for effective prosecutions of these cases and may best be accomplished by the concentrated efforts of a single office, rather than in piecemeal litigation around the country or in offices that have more diverse missions.

Unquestionably, the need to bring Nazi war criminals to justice remains a matter of great importance. Funds would not be derived from the OSI's current mission. Additional resources are authorized in the bill for OSI's expanded duties.

I have for many years sought to advance the search for war criminals who have clandestinely immigrated to our country. In 1996, the moving testimony of esteemed individuals like Rabbi Marvin Hier (the dean and founder of the Simon Wisenthal Center) led me to work closely on the drafting of the Nazi War Crimes Disclosure Act. More recently, I helped to ensure that the OSI would be able to further its efforts in investigating and denaturalizing Nazi war criminals with a budget increase of two million dollars for 1999, and I am attempting to do the same for the Year 2000.

I have also supported a strong and effective War Crimes Tribunal—with the necessary funds and authority to fully apprehend and prosecute war criminals. Expanding the mission of OSI, combined with a vigorous War Crimes Tribunal, represents a full-scale, two-prong assault on war criminals, wherever they may hide.

We must honor and respect the unique experiences of those who were victims in the darkest moment in world history. The Anti-Defamation League has expressed its support for my bill. We may help honor the memories of the victims of the Holocaust by pursuing all war criminals who enter our country. By so doing, the United States can provide moral leadership and show that we will not tolerate perpetrators of genocide and torture, least of all here.

In sum, the Anti-Atrocity Alien Deportation Act would:

Bar admission into the United States and authorize the deportation of aliens who have engaged in acts of torture abroad.

Provide statutory authorization for and expand the jurisdiction of the Office of Special Investigations (so-called ''Nazi war criminal hunters'') with the Department of Justice to investigate, prosecute and remove any alien who participated in torture and genocide abroad—not just Nazis; and

Authorize additional funding to ensure that OSI has adequate resources to fulfill its current mission of hunting Nazi war criminals.

I ask unanimous consent that the text of the bill and a sectional analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Anti-Atrocity Alien Deportation Act''.

SEC. 2. INADMISSIBILITY AND REMOVABILITY OF ALIENS WHO HAVE COMMITTED ACTS OF TORTURE ABROAD.

(a) INADMISSIBILITY.—Section 212(a)(3)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(E)) is amended by adding at the end the following:

''(iii) COMMISSION OF ACTS OF TORTURE.—Any alien who, outside the United States, has committed any act of torture, as defined in section 2340 of title 18, United States Code, is inadmissible.''.

(b) REMOVABILITY.—Section 237(a)(4)(D) of that Act (8 U.S.C. 1227(a)(4)(D)) is amended by striking ''clause (i) or (ii)'' and inserting ''clause (i), (ii), or (iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offenses committed before, on, or after the date of enactment of this Act.

SEC. 3. ESTABLISHMENT OF THE OFFICE OF SPECIAL INVESTIGATIONS.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended by adding at the end the following:

''(g) The Attorney General shall establish within the Criminal Division of the Department of Justice an Office of Special Investigations with the authority of investigating, and, where appropriate, taking legal action to remove, denaturalize, or prosecute any alien found to be in violation of clause (i), (ii), or (iii) of section 212(a)(3)(E).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of Justice for the fiscal year 2000 such sums as may be necessary to carry out the additional duties established under section 103(g) of the Immigration and Nationality Act (as added by this Act) in order to ensure that the Office of Special Investigations fulfills its continuing obligations regarding Nazi war criminals.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SECTIONAL ANALYSIS OF LEAHY ANTI-ATROCITY ALIEN DEPORTATION ACT

Summary: This bill would make two significant changes in our country's enforcement capability against those who have committed atrocities abroad and then entered the United States. First, the bill would amend the Immigration and Nationality Act to expand the grounds for inadmissibility and deportation to cover aliens who have engaged in acts of torture, as defined in 18 U.S.C. §2340, abroad. Second, the bill would direct the Attorney General to establish the Office of Special Investigations (OSI) within the Criminal Division and expand the current OSI's authority to investigate, prosecute, and remove any alien who participated in torture and genocide abroad, not just Nazi war criminals.

Sec. 1. Short Title. The Act may be cited as the ''Anti-Atrocity Alien Deportation Act.''

Sec. 2. Admissibility and Removability of Aliens Who Have Committed Acts of Torture Abroad. Currently, the Immigration and Nationality Act provides that (i) participants in Nazi persecutions during the time period from March 23, 1933 to May 8, 1945, and (ii) aliens who engaged in genocide, are inadmissable to the United States and deportable. *See* 8 U.S.C. §1182(a)(3)(E)(i) and §1227(a)(4)(D). The bill would amend these sections of the Immigration and Nationality Act by expanding the grounds for inadmissibility and deportation to cover aliens who have engaged in acts of torture abroad. The United Nations' ''Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment'' entered into force with respect to the United States on November 20, 1994. This Convention, and the implementing legislation, the Torture Victims Protection Act, 18 U.S.C. §§2340 *et seq.*, includes the definition of ''torture'' incorporated in the bill and imposed an affirmative duty on the United States to prosecute tortures within its jurisdiction.

Sec. 3. Establishment of the Office of Special Investigations. Attorney General Civiletti established OSI in 1979 within the Criminal Division of the Department of Justice, consolidating within it all ''investigative and litigation activities involving individuals, who prior to and during World War II, under the supervision of or in association with the Nazi government of Germany, its allies, and other affiliatated [sic] governments, are alleged to have ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion.'' (Att'y Gen. Order No. 851–79). The OSI's mission continues to be limited by that Attorney General Order.

This section would amend the Immigration and Nationality Act, 8 U.S.C. §1103, by directing the Attorney General to establish an Office of Special Investigations within the Department of Justice with authorization to investigate, remove, denaturalize, or prosecute any alien who has participated in torture or genocide abroad. This would expand OSI's current authorized mission. Additional funds are authorized for these expanded duties to ensure that OSI fulfills its continuing obligations regarding Nazi war criminals.

By Mr. HOLLINGS:

S. 1376. A bill to amend the Internal Revenue Code of 1986 to impose a value added tax and to use the receipts from the tax to reduce Federal debt and to ensure the solvency of the Social Security System; to the Committee on Finance.

DEFICIT AND DEBT REDUCTION AND SOCIAL SECURITY SOLVENCY ACT OF 1999

● Mr. HOLLINGS. Mr. President, this charade has gone far enough. The economy gives indications of overheating causing the Federal Reserve to increase interest rates, and now both the President and the Congress are in a foot race to cut taxes to make sure the economy catches fire. Rather than a surplus, the President's OMB Mid-Session Review on page 42 projects an increase in the debt each year for five years, and on page 43, by computation, an increase in the debt of $1.883.4 trillion over fifteen years. Some suggest cutting spending; others downsizing the government. The Democrats did both in 1993 and lost the Congress in 1994. Now, neither Republicans nor Democrats will vote to make substantial cuts and what's really needed is a tax increase. When Lyndon Johnson last balanced the budget the national debt was less than $1 trillion and interest costs of $16 billion. Now, CBO projects a deficit this year of $5.6 trillion with interest costs of $356 billion. We have increased spending since President Johnson's time $340 billion each year for nothing. A fiscal cancer. To excise this fiscal cancer, to put government on a pay-as-you-go basis, spending cuts and a tax increase will be necessary. A value added tax of 5 percent dedicated to eliminating the debt and stabilizing Social Security is in order. It would promote a very much needed paradigm of saving. More than that, it would eliminate a substantial disadvantage in international trade. The deficit in the balance of trade nears $300 billion this year. Every industrial country except the United States has a VAT which is rebated at the port of departure. Articles produced in Europe enter the United States market with a 15 percent rebated advantage, and from Korea 25 percent. All this talk of surpluses and tax cuts misleads the American public. What we really should be doing in good times is paying down the National Debt. This bill that I am introducing today will do the trick.●

By Mr. BENNETT:

S. 1377. A bill to amend the Central Utah Project Completion Act regarding the use of funds for water development for the Bonneville Unit, and for other purposes; to the Committee on Energy and Natural Resources.

CENTRAL UTAH PROJECT COMPLETION AMENDMENT OF 1999

Mr. BENNETT. Mr. President, I am pleased to introduce legislation which amends the Central Utah Project Completion Act. This is a simple bill and I hope my colleagues will support it.

My father was elected to the Senate in 1950 and it was during that time that legislation was passed that created the Central Utah Project. During his 24 years in the Senate, my father fought to win the initial authorizations as well as provide the annual appropriations for the various projects. Were it not for the foresight of planners in the 1950s, Utah would be grappling with severe water shortages for both agricultural and municipal purposes today.

In 1992, the Central Utah Project was reauthorized with the passage of the Central Utah Project Completion Act of 1992 (CUPCA). As part of the 1992 Act, CUPCA provided strict authorization levels for each project and program. Seven years after the passage of the reauthorization bill, planning has neared completion on these projects. During that time, we have learned several things. First, we are pleased that the District and the Bureau have saved money on other projects authorized under CUPCA. At the same time, many of us were surprised how successful the water conservation activities have been. They have been so successful that it appears we are on track to reach the authorized funding in the near future. We have also learned that the acquisition of water rights and instream flows are inadequate in other areas.

Recognizing that there are shortfalls in some areas and significant savings achieved in other areas, this legislation simply amends the current law to permit the use of savings achieved in certain areas to be spent on other projects and programs where needed. By doing so, we can ensure that the projects can be completed in a timely and cost-effective manner.

By passing this legislation we can continue the progress made in completing the Central Utah Project. I hope my colleagues will support this bill and I look forward to working with the members of the Energy Committee to bring it to the floor for consideration.

By Mr. VOINOVICH (for himself and Mrs. LINCOLN):

S. 1378. A bill to amend chapter 35 of title 44, United States Code, for the purposes of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes; to the Committee on Governmental Affairs.

THE SMALL BUSINESS PAPERWORK REDUCTION ACT

Mr. VOINOVICH. Mr. President, I rise today to introduce the Small Business Paperwork Reduction Act, legislation that will give small businesses across the nation the time they need to correct first-time paperwork violations before federal fines are assessed When enacted, the provisions of this law would apply as long as the violations do not cause serious harm or threaten public health or safety. I am pleased to be joined in this effort by my colleague from Arkansas, Senator BLANCHE LAMBERT-LINCOLN.

To own one's business is, for many, the epitome of the American dream, knowing that you are your own boss and that you alone are responsible for the success of your business. It's what motivates thousands of individuals each week to take that initial leap of faith and it is their effort and their perseverance to succeed that constitute the economic and entrepreneurial backbone of this country.

Small business owners are reponsible for the employment of millions of individuals, providing the roots for families to settle in small towns and large cities all across America. Through their payroll contributions and their tax base, small businesses—whether it's a shoe store in Cleveland, Ohio or a diner in Arkadelphia, Arkansas—make up the final nucleus of many a community.

However, even with their many contributions, small business owners face a number of obstacles to success. One of the larger obstacles they face is the daunting task of meeting federal paperwork requirements. Small business owners spend an inordinate amount of their time filling out various forms to comply with a myriad of government requirements. In fact, small business owners spend about $229 billion per year on compliance costs and some 6.7 billion hours are used annually to fill out the expected paperwork.

In addition, according to the National Federation of Independent Business (NFIB), small business owners are subjected to 63% of the nation's regulatory burden, and the paperwork regulations they are subjected to cost more than $2,000 per employee.

I believe whatever we can do to relieve the burden on the small business men and women of our nation will help increase productivity, save money and create more jobs. Obviously, to obtain these benefits necessitates a review of our paperwork requirements on our nation's small businesses.

When Congress passed the Paperwork Reduction Act of 1995, many small business owners believed they would finally obtain relief from the blizzard of paper to which they are subjected. Unfortunately, it has done too little to stem the tide of Federal paperwork requirements. In 1996, the Act was supposed to reduce the amount of paper by 10%. Instead, it was only a 2.6% * * * .

When Congress passed the Paperwork Reduction Act of 1995, many small business owners believed they would finally obtain relief from the blizzard of paper to which they are subjected. Unfortunately, it has done too little to stem the tide of federal paperwork requirements. In 1996, the Act was supposed to reduce the amount of paper by 10%. Instead, it was only 2.6% reduction. In 1997, the Act was supposed to provide another 10% reduction in the amount of paper. Instead, there was a 2.3% increase. In 1998, the Act was supposed to provide another 5% reduction in the amount of paper. Instead, there was another 1% increase.

In addition, under the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996, federal agencies were required to submit plans to Congress by March of 1998 for waiving and/or reducing fines as deemed appropriate for small business. However, a large majority of federal agencies, including at least half-a-dozen cabinet departments, did not even submit their plans by the March 1998 deadline. In addition, of the plans submitted, most are settlement policies, which force small businesses into negotiations to reduce or eliminate penalties rather than to help small businesses comply with paperwork reductions.

Mr. President, even with all the forms that they are required to fill out, and all the time it takes to complete them, small business owners want to comply with the laws of our nation. Their biggest concern, though, is the Sword of Damocles that hangs over them should they send in an incorrect form, or worse, not send one in at all. In the latter instance, it is almost always because they didn't know that they were supposed to fill out any paperwork, and unfortunately, it is such situations that generally bring about hefty fines for small business owners.

Clearly, we have an opportunity to help these business owners, and, in turn, help continue the growth of our strong U.S. economy, maintain stable and productive jobs and create new jobs and opportunities.

The legislation that Senator LINCOLN and I are introducing, the Small Business Paperwork Reduction Act, is a companion bill to H.R. 391, which passed the House on February 11, 1999 by a vote of 274–151. Like the House-passed bill, our legislation will give small business owners a ''grace period'' to make amends for first-time paperwork violations before fines are assessed. The only exceptions would be for violations that cause harm, affect internal revenue laws or involve criminal activity. If a violation threatens public health or safety, each affected agency of jurisdiction would have the discretion to levy a fine as usual, or provide a 24-hour window to correct the infraction.

In addition, our bill would establish a multi-agency task force to study how to streamline reporting requirements for small business; establish a point of contact at each federal agency that small businesses could contact regarding paperwork requirements; and require an annual comprehensive list of all federal paperwork requirements for small business to be placed on the Internet.

So there is no confusion—our bill does not give small business owners carte blanch to skip their record keeping and reporting requirements. Thus, firefighters will not be threatened with injury on the job because a business doesn't have records of the toxic substances it has on its premises, or an elderly patient in a nursing home will be secure in the knowledge that their medical records will be maintained.

As I stated earlier, the men and women of America who own small businesses do not embark on a course of flagrantly violating the laws of our nation. If they did, they would soon be out of business and probably in jail. They just want an opportunity to make up what they didn't do or correct what they've done wrong.

Mr. President, compliance through cooperation should be the way our federal agencies do business, however, in many instances, federal agencies are all too eager to ''fine first, ask questions later.'' This legislation will give our nation's small business owners the time they need to correct small, non-threatening paperwork mistakes without having to pay a penalty that could jeopardize their very business.

Our legislation is a sensible approach that has the support of the National Federation of Independent Business (NFIB), the voice of small business owners across the country, who have written to me in support of this legislation. I urge my colleagues to co-sponsor our bill and I encourage the Senate to act expeditiously.

I ask unanimous consent that the letter from the NFIB in support of this legislation be inserted into the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, July 15, 1999.

Hon. GEORGE VOINOVICH,
U.S. Senate, Washington, DC.

DEAR SENATOR VOINOVICH: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I want to thank you and Senator Lincoln for your leadership in introducing the Small Business Paperwork Reduction Act Amendments of 1999.

The federal paperwork burden consistently ranks among the top small business concerns in the NFIB ''Small Business Problems and Priorities'' survey. In fact, the burden of regulatory compliance is as much as 50 percent more for small businesses than their larger counterparts. In addition, it is estimated that paperwork alone accounts for one-third of regulatory compliance costs. Small businesses spent approximately 7 billion hours filling out federal paperwork in 1998, with the total paperwork burden estimated at $229 billion. It is clear that the burden of government paperwork hinders the ability of small businesses to grow and create new jobs.

The Voinovich-Lincoln bill will provide small businesses with a penalty waiver for a first-time paperwork violation, provided that it does not threaten public health, safety or the environment. This waiver is only applicable if the business owner corrects the violation in a reasonable time period. The bill would also establish a task force of agency representatives to study streamlining reporting requirements for small businesses.

We believe that this incremental and responsible bill can be signed into law this year. A similar bill was passed by a bipartisan majority in the House, laying the groundwork for Senate action. We look forward to working with you for Senate passage and enactment of this bill.

Sincerely,

DAN DANNER,
Vice President, Federal Public Policy.

Mrs. LINCOLN. Would my colleague from Ohio kindly answer a few questions regarding this bill?

Mr. VOINOVICH. I would be happy to discuss the bill with my distinguished colleague.

Mrs. LINCOLN. Thank you. I have heard some concerns voiced about this bill, namely how it could impact nursing homes and fire fighters. I hope you can clarify for me how regulations applicable to these groups would be impacted by the Small Business Paperwork Reduction Act, if at all.

Mr. VOINOVICH. Certainly, I would be happy to clear up the misconceptions that this bill might endanger firefighters and nursing home patients.

Some have claimed that this bill would encourage fraud or abuse of elderly nursing home patients by allowing a penalty waiver for those who violate rules regulating their care. Still others have claimed that the bill would threaten the lives of firefighters by allowing a waiver for businesses that violate rules regulating hazardous substances in the workplace. Neither of these claims is substantiated.

Like the Senator from Arkansas, I care very much about the health and safety of all Americans and would not dream of putting seniors or firefighters in obvious jeopardy. Clearly, this is not the kind of negligent misbehavior this bill aims to reward with a civil penalty waiver for a first-time paperwork violation. And this is not the kind of violation covered by this bill.

Mrs. LINCOLN. How can my colleague be certain that this kind of tragedy is not protected from civil penalty under this bill?

Mr. VOINOVICH. Allow me to explain. Nursing homes that do not keep proper medical and treatment records for their patients are clearly endangering human health and safety. Small businesses that do not keep the required records of hazardous chemicals are also endangering human health and safety. As such, neither is covered by this bill.

Mrs. LINCOLN. So what my colleague is saying is that any violation that causes actual danger to human health and safety is exempted from coverage by this bill.

Mr. VOINOVICH. This bill goes even further than that. The language states that any violation that has ''the potential to cause serious harm to the public interest'' is exempt from this bill and cannot receive a penalty waiver. Where there is a potential to cause serious harm to the public, the agencies will be able to impose, in addition to all of their other remedies, an appropriate civil fine.

Mrs. LINCOLN. As the Senator from Ohio knows, he and I are working together on another piece of legislation that would protect the powers of states and impose accountability for Federal preemption of state and local laws. Does this bill preempt state laws?

Mr. VOINOVICH. My colleague raises a good point. This bill does not preempt state laws regarding collection of information. What it does say is that states my not impose a civil penalty on small businesses for a first-time violation under Federal laws that the State may administer.

Again—I want to make clear—this bill does not preempt state laws. Instead it provides consistency that a small business will not be fined under Federal laws whether the laws are being carried out by Federal or State government.

Mrs. LINCOLN. I thank my colleague for these clarifications. I am pleased to hear that this bill will help reduce the paperwork burden from our nation's small businesses while protecting the health and safety of our nursing home and firefighter communities, and I look forward to working with him to pass this bill.

By Mr. DOMENICI:

S. 1379. A bill to amend the Internal Revenue Code of 1986 to provide broad based tax relief for all taxpaying families, to mitigate the marriage penalty, to expand retirement savings, to phase out gift and estate taxes, and for other purposes; to the Committee on Finance.

Mr. DOMENICI. Mr. President, I am going to send to the desk a tax reduction bill. Everybody has ideas around here. I thought I would work with some people who think like I think and put together what I choose to call the Share the Surplus Tax Reduction and Simplification Act. It uses up the $780 billion over 10 years. I am introducing it tonight, and tomorrow I will speak on it. I hope some Senators will look at it from the standpoint of a balanced approach to moving toward some simplification and, at the same time, doing some of the things that will be fair, equitable, and good for our economy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Share the Surplus Tax Reduction and Simplification Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE VII—REVENUE PROVISION

Sec. 71. 4-year averaging for conversion of traditional IRA to Roth IRA.

TITLE I—TAX RELIEF

SEC. 11. BROAD BASED TAX RELIEF FOR ALL TAXPAYING FAMILIES.

(a) PURPOSE.—The purpose of this section is to cut taxes for 120,000,000 taxpaying families by lowering the 15 percent tax rate.

(b) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended—

(1) by striking ''15%'' each place it appears in the tables in subsections (a) through (e) and inserting ''The applicable rate'', and

(2) by adding at the end the following:

''(i) APPLICABLE RATE.—For purposes of this section, the applicable rate for any taxable year shall be determined in accordance with the following table:

"In the case of any taxable year beginning in—	The applicable rate is:
	Percent
2002	14.9
2003	14.8
2004	14.7
2005	14.1
2006 and thereafter	13.5.''

(b) CONFORMING AMENDMENTS.—

(1) Section 1(f)(2) of the Internal Revenue Code of 1986 is amended—

(A) by inserting ''except as provided in subsection (i),'' before ''by not changing'' in subparagraph (B), and

(B) by inserting ''and the adjustment in rates under subsection (i)'' after ''rate brackets'' in subparagraph (C).

(2) Section 1(g)(7)(B)(ii)(II) of such Code is amended by striking ''15 percent'' and inserting ''the applicable rate''.

(3) Section 3402(p)(2) of such Code is amended by striking ''15 percent'' and inserting ''the applicable rate in effect under section 1(i) for the taxable year''.

(c) NEW TABLES.—Not later than 15 days after the date of enactment of this Act, the Secretary of the Treasury—

(1) shall prescribe tables for taxable years beginning in 2002 which shall reflect the amendments made by this section and which shall apply in lieu of the tables prescribed under sections 1(f)(1) and 3(a) of the Internal Revenue Code of 1986 for such taxable years, and

(2) shall modify the withholding tables and procedures for such taxable years under section 3402(a)(1) of such Code to take effect as if the reduction in the rate of tax under section 1 of such Code (as amended by this section) was attributable to such a reduction effective on such date of enactment.

(d) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 12. MARRIAGE PENALTY MITIGATION AND TAX BURDEN REDUCTION.

(a) PURPOSE.—The purposes of this section are to return 7,000,000 taxpaying families to the 15 percent tax bracket and to cut taxes for 35,000,000 taxpaying families who will benefit from a tax cut of up to $1,300 per family by eliminating or mitigating the marriage penalty for many middle class taxpaying families.

(b) IN GENERAL.—Section 1(f) of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D),

(B) by inserting after subparagraph (A) the following:

''(B) in the case of the tables contained in subsections (a), (b), (c), and (d), by increasing the maximum taxable income level for the lowest rate bracket and the minimum taxable income level for the 28 percent rate bracket otherwise determined under subparagraph (A) for taxable years beginning in any calendar year after 2001, by the applicable dollar amount for such calendar year,'', and

(C) by striking ''subparagraph (A)'' in subparagraph (C) (as so redesignated) and inserting ''subparagraphs (A) and (B)'', and

(2) by adding at the end the following:

''(8) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (2)(B), the applicable dollar amount for any calendar year shall be determined as follows:

''(A) JOINT RETURNS AND SURVIVING SPOUSES.—In the case of the table contained in subsection (a)—

"Calendar year:	Applicable Dollar Amount:
2002	$2,000
2003	$4,000
2004	$6,000
2005	$8,000
2006 and thereafter	$10,000.

''(B) OTHER TABLES.—In the case of the table contained in subsection (b), (c), or (d)—

"Calendar year:	Applicable Dollar Amount:
2002	$1,000
2003	$2,000
2004	$3,000
2005	$4,000
2006 and thereafter	$5,000.''.

SEC. 13. REPEAL OF ALTERNATIVE MINIMUM TAX ON INDIVIDUALS.

(a) PURPOSES.—The purposes of this section are—

(1) to simplify the tax code so that millions of Americans will no longer be required to calculate their income taxes under 2 systems; and

(2) to recognize that tax credits should not be denied to individuals who are eligible for such credit.

(b) IN GENERAL.—Subsection (a) of section 55 of the Internal Revenue Code of 1986 is amended by adding at the end the following new flush sentence:

''For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2009, shall be zero.''

(c) REDUCTION OF TAX ON INDIVIDUALS PRIOR TO REPEAL.—Section 55 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) PHASEOUT OF TAX ON INDIVIDUALS.—

''(1) IN GENERAL.—The tax imposed by this section on a taxpayer other than a corporation for any taxable year beginning after December 31, 2004, and before January 1, 2010, shall be the applicable percentage of the tax which would be imposed but for this subsection.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2005	80
2006	70
2007	60
2008 or 2009	50.''

(d) NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY.—

(1) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on amount of tax) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year.''

(2) CHILD CREDIT.—Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(e) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—Subsection (c) of section 53 of the Internal Revenue Code of 1986 is amended to read as follows:

''(c) LIMITATION.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

''(B) the tentative minimum tax for the taxable year.

''(2) TAXABLE YEARS BEGINNING AFTER 2009.—In the case of any taxable year beginning after 2009, the credit allowable under subsection (a) to a taxpayer other than a corporation for any taxable year shall not exceed 90 percent of the excess (if any) of—

''(A) regular tax liability of the taxpayer for such taxable year, over

''(B) the sum of the credits allowable under subparts A, B, D, E, and F of this part.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

TITLE II—SAVING AND INVESTMENT PROVISIONS

SEC. 21. DIVIDEND AND INTEREST TAX RELIEF.

(a) PURPOSES.—The purposes of this section are—

(1) to provide an incremental step toward taxing income that is consumed rather than income that is earned and saved;

(2) to simplify the tax code by eliminating 67,000,000 hours spent on tax preparation;

(3) to eliminate all income tax on savings for more than 30,000,000 middle class families;

(4) to reduce income taxes on savings for 37,000,000 individuals; and

(5) to allow a $10,000 nest egg to grow tax-free and let individuals experience the miracle of compound interest.

(b) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

''(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include the sum of the amounts received during the taxable year by an individual as—

''(1) dividends from domestic corporations, or

''(2) interest.

''(b) LIMITATIONS.—

''(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $250 ($500 in the case of a joint return).

''(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a)(1) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding

taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

''(c) INTEREST.—For purposes of this section, the term 'interest' means—

''(1) interest on deposits with a bank (as defined in section 581),

''(2) amounts (whether or not designated as interest) paid in respect of deposits, investment certificates, or withdrawable or repurchasable shares, by—

''(A) a mutual savings bank, cooperative bank, domestic building and loan association, industrial loan association or bank, or credit union, or

''(B) any other savings or thrift institution which is chartered and supervised under Federal or State law,

the deposits or accounts in which are insured under Federal or State law or which are protected and guaranteed under State law,

''(3) interest on—

''(A) evidences of indebtedness (including bonds, debentures, notes, and certificates) issued by a domestic corporation in registered form, and

''(B) to the extent provided in regulations prescribed by the Secretary, other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public,

''(4) interest on obligations of the United States, a State, or a political subdivision of a State (not excluded from gross income of the taxpayer under any other provision of law), and

''(5) interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to Federal law.

''(d) SPECIAL RULES.—For purposes of this section—

''(1) DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—Subsection (a) shall apply with respect to distributions by—

''(A) regulated investment companies to the extent provided in section 854(c), and

''(B) real estate investment trusts to the extent provided in section 857(c).

''(2) DISTRIBUTIONS BY A TRUST.—For purposes of subsection (a), the amount of dividends and interest properly allocable to a beneficiary under section 652 or 662 shall be deemed to have been received by the beneficiary ratably on the same date that the dividends and interest were received by the estate or trust.

''(3) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

''(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

''(B) in determining the tax imposed for the taxable year pursuant to section 877(b).''.

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 115 the following:

''Sec. 116. Partial exclusion of dividends and interest received by individuals.''.

(2) Paragraph (2) of section 265(a) of such Code is amended by inserting before the period at the end the following: '', or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116''.

(3) Subsection (c) of section 584 of such Code is amended by adding at the end the following new flush sentence:

''The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.''.

(4) Subsection (a) of section 643 of such Code is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following:

''(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.''.

(5) Section 854 of such Code is amended by adding at the end the following:

''(c) TREATMENT UNDER SECTION 116.—

''(1) IN GENERAL.—For purposes of section 116, in the case of any dividend (other than a dividend described in subsection (a)) received from a regulated investment company which meets the requirements of section 852 for the taxable year in which it paid the dividend—

''(A) the entire amount of such dividend shall be treated as a dividend if the sum of the aggregate dividends and the aggregate interest received by such company during the taxable year equals or exceeds 75 percent of its gross income, or

''(B) if subparagraph (A) does not apply, there shall be taken into account under section 116 only the portion of such dividend which bears the same ratio to the amount of such dividend as the sum of the aggregate dividends received and aggregate interest received bears to gross income.

For purposes of the preceding sentence, gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year.

''(2) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 60 days after the close of its taxable year.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) GROSS INCOME.—The term 'gross income' does not include gain from the sale or other disposition of stock or securities.

''(B) AGGREGATE DIVIDENDS.—The term 'aggregate dividends' includes only dividends received from domestic corporations other than dividends described in section 116(b)(2). In determining the amount of any dividend for purposes of this subparagraph, the rules provided in section 116(d)(1) (relating to certain distributions) shall apply.

''(C) INTEREST.—The term 'interest' has the meaning given such term by section 116(c).''.

(6) Subsection (c) of section 857 of such Code is amended to read as follows:

''(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

''(1) IN GENERAL.—For purposes of section 116 (relating to an exclusion for dividends and interest received by individuals) and section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

''(2) TREATMENT AS INTEREST.—For purposes of section 116, in the case of a dividend (other than a capital gain dividend, as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part for the taxable year in which it paid the dividend—

''(A) such dividend shall be treated as interest if the aggregate interest received by the real estate investment trust for the taxable year equals or exceeds 75 percent of its gross income, or

''(B) if subparagraph (A) does not apply, the portion of such dividend which bears the same ratio to the amount of such dividend as the aggregate interest received bears to gross income shall be treated as interest.

''(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE INTEREST RECEIVED.—For purposes of paragraph (2)—

''(A) gross income does not include the net capital gain,

''(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received by the taxable year, and

''(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of section 857(b).

''(4) INTEREST.—The term 'interest' has the meaning given such term by section 116(c).

''(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as interest for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 60 days after the close of its taxable year.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 22. LONG-TERM CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

(a) PURPOSES.—The purposes of this section are—

(1) to provide an incremental step toward shifting the Internal Revenue Code away from taxing savings and investment,

(2) to lower the cost of capital so that prosperity, better paying jobs, and innovation will continue in the United States,

(3) to eliminate capital gain taxes for 10,000,000 families, 75 percent of whom have annual incomes of $75,000 or less, and

(4) to simplify the tax code and thereby eliminate 70,000,000 hours of tax preparation.

(b) GENERAL RULE.—Part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1203 and by inserting after section 1201 the following:

''SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

''(1) the net capital gain of the taxpayer for the taxable year, or

''(2) $5,000.

''(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

''(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—Solely for purposes of this section, in applying section 1250 to any disposition of section 1250 property, all depreciation adjustments in respect of the property shall be treated as additional depreciation.

''(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

''(1) an individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

''(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or

''(3) an estate or trust.

''(e) SPECIAL RULE FOR PASS-THRU ENTITIES.—

''(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

''(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) an estate or trust, and

''(F) a common trust fund.''.

(c) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) of the Internal Revenue Code of 1986 (relating to maximum capital gains rate) is amended to read as follows:

''(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

''(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year, plus

''(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii).''.

(d) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following:

''(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202.''.

(e) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 of the Internal Revenue Code of 1986 (relating to other terms relating to capital gains and losses) is amended by inserting after paragraph (11) the following:

''(12) SPECIAL RULE FOR COLLECTIBLES.—

''(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

''(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

''(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof).''.

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) of such Code is amended by adding at the end the following: ''For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles).''.

(B) Clause (iv) of section 170(b)(1)(C) of such Code is amended by inserting before the period at the end the following: ''and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)''.

(f) CONFORMING AMENDMENTS.—

(1) Section 57(a)(7) of the Internal Revenue Code of 1986 is amended by striking ''1202'' and inserting ''1203''.

(2) Clause (iii) of section 163(d)(4)(B) of such Code is amended to read as follows:

''(iii) the sum of—

''(I) the portion of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net capital gain referred to in clause (ii)(I)) taken into account under section 1202, reduced by the amount of the deduction allowed with respect to such gain under section 1202, plus

''(II) so much of the gain described in subclause (I) which is not taken into account under section 1202 and which the taxpayer elects to take into account under this clause.''.

(3) Subparagraph (B) of section 172(d)(2) of such Code is amended to read as follows:

''(B) the deduction under section 1202 and the exclusion under section 1203 shall not be allowed.''.

(4) Section 642(c)(4) of such Code is amended by striking ''1202'' and inserting ''1203''.

(5) Section 643(a)(3) of such Code is amended by striking ''1202'' and inserting ''1203''.

(6) Paragraph (4) of section 691(c) of such Code is amended inserting ''1203,'' after ''1202,''.

(7) The second sentence of section 871(a)(2) of such Code is amended by inserting ''or 1203'' after ''section 1202''.

(8) The last sentence of section 1044(d) of such Code is amended by striking ''1202'' and inserting ''1203''.

(9) Paragraph (1) of section 1402(i) of such Code is amended by inserting '', and the deduction provided by section 1202 and the exclusion provided by section 1203 shall not apply'' before the period at the end.

(10) Section 121 of such Code is amended by adding at the end the following:

''(h) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''.

(11) Section 1203 of such Code, as redesignated by subsection (a), is amended by adding at the end the following:

''(l) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''.

(12) The table of sections for part I of subchapter P of chapter 1 of such Code is amended by striking the item relating to section 1202 and by inserting after the item relating to section 1201 the following:

''Sec. 1202. Capital gains deduction.

''Sec. 1203. 50-percent exclusion for gain from certain small business stock.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) COLLECTIBLES.—The amendments made by subsection (d) shall apply to sales and exchanges after December 31, 2000.

SEC. 23. INCREASE IN CONTRIBUTION LIMITS FOR TRADITIONAL IRAS.

(a) PURPOSES.—The purposes of this section are—

(1) to increase the savings rate for all Americans by reforming the tax system to favorably treat income that is invested for retirement, and

(2) to provide targeted incentives to middle class families to increase their retirement savings in a traditional IRA by $1,000 per working member of the family per taxable year.

(b) INCREASE IN CONTRIBUTION LIMIT.—Paragraph (1)(A) of section 219(b) of the Internal Revenue Code of 1986 (relating to maximum amount of deduction) is amended by striking ''$2,000'' and inserting ''$3,000''.

(c) INFLATION ADJUSTMENT.—Section 219 of the Internal Revenue Code of 1986 (relating to deduction for retirement savings) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following:

''(h) COST-OF-LIVING ADJUSTMENT.—

''(1) DEDUCTIBLE AMOUNTS.—In the case of any taxable year beginning in a calendar year after 2009, the $3,000 amount under subsection (b)(1)(A) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2008' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING RULES.—If any amount after adjustment under paragraph (1) is not a multiple of $100, such amount shall be rounded to the next lower multiple of $100.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) of the Internal Revenue Code of 1986 is amended by striking ''in excess of $2,000 on behalf of any individual'' and inserting ''on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)''.

(2) Section 408(b)(2)(B) of such Code is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(3) Section 408(b) of such Code is amended by striking ''$2,000'' in the matter following paragraph (4) and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(4) Section 408(j) of such Code is amended by striking ''$2,000''.

(5) Section 408(p)(8) of such Code is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(6) Section 408A(c)(2)(A) of such Code is amended to read as follows:

''(A) $2,000, over''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE III—BUSINESS INVESTMENT PROVISIONS

SEC. 31. REPEAL OF ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

(a) PURPOSE.—The purpose of this section is to eliminate one of the most misguided, anti-growth, anti-investment tax schemes ever devised.

(b) IN GENERAL.—The last sentence of section 55(a) of the Internal Revenue Code of 1986, as amended by section 13, is amended by striking ''on any taxpayer other than a corporation''.

(c) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.—

(1) IN GENERAL.—Section 59(a) of the Internal Revenue Code of 1986 (relating to alternative minimum tax foreign tax credit) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENT.—Section 53(d)(1)(B)(i)(II) of such Code is amended by striking ''and if section 59(a)(2) did not apply''.

(d) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—

(1) IN GENERAL.—Subsection (c) of section 53 of the Internal Revenue Code of 1986, as

amended by section 13, is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

''(2) CORPORATIONS FOR TAXABLE YEARS BEGINNING AFTER 2004.—In the case of corporation for any taxable year beginning after 2004 and before 2010, the limitation under paragraph (1) shall be increased by the applicable percentage (determined in accordance with the following table) of the tentative minimum tax for the taxable year.

"For taxable years beginning in calendar year—	The applicable percentage is—
2005	20
2006	30
2007	40
2008 or 2009	50.

In no event shall the limitation determined under this paragraph be greater than the sum of the tax imposed by section 55 and the regular tax reduced by the sum of the credits allowed under subparts A, B, D, E, and F of this part.''

(2) CONFORMING AMENDMENTS.—

(A) Section 55(e) of such Code is amended by striking paragraph (5).

(B) Paragraph (3) of section 53(c) of such Code, as redesignated by paragraph (1), is amended by striking ''to a taxpayer other than a corporation''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(2) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2003.

(3) SUBSECTION (d)(2)(A).—The amendment made by subsection (d)(2)(A) shall apply to taxable years beginning after December 31, 2009.

SEC. 32. INCREASE IN LIMIT FOR ELECTION TO EXPENSE CERTAIN BUSINESS ASSETS.

(a) IN GENERAL.—Section 179(b)(1) of the Internal Revenue Code of 1986 (relating to dollar limitation) is amended by striking the last item in the table and inserting the following new items:

''2003 or 2004 25,000
''2005 or thereafter .....250,000.''

(b) INDEX.—Section 179(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(5) INFLATION ADJUSTMENT.—In the case of a taxable year beginning after 2005, the $25,000 amount under paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.''

(c) INCREASE IN LIMITATION ON COST OF PROPERTY PLACED IN SERVICE.—Section 179(b)(2) of the Internal Revenue Code of 1986 (relating to reduction in limitation) is amended by striking ''$200,000'' and inserting ''$4,000,000''.

TITLE IV—ESTATE AND GIFT TAX RELIEF

SEC. 41. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) PURPOSE.—The purpose of this section is to begin phasing out the confiscatory gift and estate tax by reducing the rate of tax.

(b) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2009.

(c) PHASEOUT OF TAX.—Subsection (c) of section 2001 of the Internal Revenue Code of 1986 (relating to imposition and rate of tax) is amended by adding at the end the following:

''(3) PHASEOUT OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 1999 and before 2010—

''(A) IN GENERAL.—The tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced (but not below zero) by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

"For calendar year:	The number of percentage points is:
2001	1
2002	2
2003	3
2004	4
2005	5
2006	7
2007	9
2008	11
2009	15.

''(C) COORDINATION WITH PARAGRAPH (2).—Paragraph (2) shall be applied by reducing the 55 percent percentage contained therein by the number of percentage points determined for such calendar year under subparagraph (B).

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the number of percentage points referred to in subparagraph (A)(i) shall be determined under the following table:

"For calendar year:	The number of percentage points is:
2001	1
2002	2
2003	3
2004	4
2005	5
2006	7
2007	9
2008	11
2009	15.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

TITLE V—RESEARCH CREDIT EXTENSION AND MODIFICATION

SEC. 51. PURPOSE.

The purpose of this title is to make the research credit permanent and make certain modifications to the credit.

SEC. 52. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Section 45C(b)(1) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2000.

SEC. 53. IMPROVED ALTERNATIVE INCREMENTAL CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities), as amended by section 52, is amended by adding at the end the following:

''(h) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

''(1) IN GENERAL.—At the election of the taxpayer, the credit under subsection (a)(1) shall be determined under this section by taking into account the modifications provided by this subsection.

''(2) DETERMINATION OF BASE AMOUNT.—

''(A) IN GENERAL.—In computing the base amount under subsection (c)—

''(i) notwithstanding subsection (c)(3), the fixed-base percentage shall be equal to 80 percent of the percentage which the aggregate qualified research expenses of the taxpayer for the base period is of the aggregate gross receipts of the taxpayer for the base period, and

''(ii) the minimum base amount under subsection (c)(2) shall not apply.

''(B) START-UP AND SMALL TAXPAYERS.—In computing the base amount under subsection (c), the gross receipts of a taxpayer for any taxable year in the base period shall be treated as at least equal to $1,000,000.

''(C) BASE PERIOD.—For purposes of this subsection, the base period is the 8-taxable year period preceding the taxable year (or, if shorter, the period the taxpayer (and any predecessor) has been in existence).

''(3) ELECTION.—An election under this subsection shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.''.

(b) CONFORMING AMENDMENT.—Section 41(c) of the Internal Revenue Code of 1986 is amended by striking paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 54. MODIFICATIONS TO CREDIT FOR BASIC RESEARCH.

(a) ELIMINATION OF INCREMENTAL REQUIREMENT.—

(1) IN GENERAL.—Paragraph (1) of section 41(e) of the Internal Revenue Code of 1986 (relating to credit allowable with respect to certain payments to qualified organizations for basic research) is amended to read as follows:

''(1) IN GENERAL.—The amount of basic research payments taken into account under subsection (a)(2) shall be determined in accordance with this subsection.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 41(a)(2) of the Internal Revenue Code of 1986 is amended by striking ''determined under subsection (e)(1)(A)'' and inserting ''for the taxable year''.

(B) Section 41(e) of such Code is amended by striking paragraphs (3), (4), and (5) and by redesignating paragraphs (6) and (7) as paragraphs (3) and (4), respectively.

(C) Section 41(e)(4) of such Code, as redesignated by subparagraph (B), is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(D) Clause (i) of section 170(e)(4)(B) of such Code is amended by striking ''section 41(e)(6)'' and inserting ''section 41(e)(3)''.

(b) BASIC RESEARCH.—

(1) SPECIFIC COMMERCIAL OBJECTIVE.—Section 41(e)(4) of the Internal Revenue Code of 1986 (relating to definitions and special rules), as redesignated by subsection (a)(2)(B), is amended by adding at the end the following:

''(E) SPECIFIC COMMERCIAL OBJECTIVE.—For purposes of subparagraph (A), research shall not be treated as having a specific commercial objective if the results of such research are to be published in a timely manner as to be available to the general public prior to their use for a commercial purpose.''.

(2) EXCLUSIONS FROM BASIC RESEARCH.—Clause (ii) of section 41(e)(4)(A) of such Code (relating to definitions and special rules), as redesignated by subsection (a), is amended to read as follows:

''(ii) basic research in the arts and humanities.''.

(c) EXPANSION OF CREDIT TO RESEARCH DONE AT FEDERAL LABORATORIES.—Section 41(e)(3) of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended by adding at the end the following new subparagraph:

''(E) FEDERAL LABORATORIES.—Any organization which is a Federal laboratory (as defined in section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6)).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 55. CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE RESEARCH CONSORTIA.

(a) CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE RESEARCH CONSORTIA.—Subsection (a) of section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking ''and'' at the end of paragraph (1), striking the period at the end of paragraph (2) and inserting '', and '', and by adding at the end the following:

''(3) 20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to a qualified research consortium.''.

(b) QUALIFIED RESEARCH CONSORTIUM DEFINED.—Subsection (f) of section 41 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(6) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization—

''(A) which is—

''(i) described in section 501(c)(3) and is exempt from tax under section 501(a) and is organized and operated primarily to conduct scientific or engineering research, or

''(ii) organized and operated primarily to conduct scientific or engineering research in the public interest (within the meaning of section 501(c)(3)),

''(B) which is not a private foundation,

''(C) to which at least 5 unrelated persons paid or incurred during the calendar year in which the taxable year of the organization begins amounts (including as contributions) to such organization for scientific or engineering research, and

''(D) to which no single person paid or incurred (including as contributions) during such calendar year an amount equal to more than 50 percent of the total amounts received by such organization during such calendar year for scientific or engineering research.

All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related persons for purposes of subparagraph (C) and as a single person for purposes of subparagraph (D).''.

(c) CONFORMING AMENDMENT.—Paragraph (3) of section 41(b) of the Internal Revenue Code of 1986 is amended by striking subparagraph (C).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 56. IMPROVEMENT TO CREDIT FOR SMALL BUSINESSES AND RESEARCH PARTNERSHIPS.

(a) ASSISTANCE TO SMALL AND START-UP BUSINESSES.—The Secretary of the Treasury or the Secretary's delegate shall take such actions as are appropriate to—

(1) provide assistance to small and start-up businesses in complying with the requirements of section 41 of the Internal Revenue Code of 1986, and

(2) reduce the costs of such compliance.

(b) REPEAL OF LIMITATION ON CONTRACT RESEARCH EXPENSES PAID TO SMALL BUSINESSES, UNIVERSITIES, AND FEDERAL LABORATORIES.—Section 41(b)(3) of the Internal Revenue Code of 1986, as amended by section 55(c), is amended by adding at the end the following:

''(C) AMOUNTS PAID TO ELIGIBLE SMALL BUSINESSES, UNIVERSITIES, AND FEDERAL LABORATORIES.—

''(i) IN GENERAL.—In the case of amounts paid by the taxpayer to an eligible small business, an institution of higher education (as defined in section 3304(f)), or an organization which is a Federal laboratory (as defined in subsection (e)(3)(E)), subparagraph (A) shall be applied by substituting '100 percent' for '65 percent'.

''(ii) ELIGIBLE SMALL BUSINESS.—For purposes of this subparagraph, the term 'eligible small business' means a small business with respect to which the taxpayer does not own (within the meaning of section 318) 50 percent or more of—

''(I) in the case of a corporation, the outstanding stock of the corporation (either by vote or value), and

''(II) in the case of a small business which is not a corporation, the capital and profits interests of the small business.

''(iii) SMALL BUSINESS.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'small business' means, with respect to any calendar year, any person if the annual average number of employees employed by such person during either of the 2 preceding calendar years was 500 or fewer. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the person was in existence throughout the year.

''(II) STARTUPS, CONTROLLED GROUPS, AND PREDECESSORS.—Rules similar to the rules of subparagraphs (B) and (D) of section 220(c)(4) shall apply for purposes of this clause.''.

(c) CREDIT FOR PATENT FILING FEES.—Section 41(a) of the Internal Revenue Code of 1986, as amended by section 55(a), is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following:

''(4) 20 percent of the patent filing fees paid or incurred by a small business (as defined in subsection (b)(3)(C)(iii)) to the United States or to any foreign government in carrying on any trade or business.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

TITLE VI—ENERGY INDEPENDENCE

SEC. 61. PURPOSES.

The purposes of this title are—

(1) to prevent the abandonment of marginal oil and gas wells owned and operated by independent oil and gas producers, which are responsible for half of the United States' domestic production, and

(2) to transform earned tax credits and other benefits into working capital for the cash-strapped domestic oil and gas producers and service companies.

SEC. 62. TAX CREDIT FOR MARGINAL DOMESTIC OIL AND NATURAL GAS WELL PRODUCTION.

(a) CREDIT FOR PRODUCING OIL AND GAS FROM MARGINAL WELLS.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business credits) is amended by adding at the end the following:

''SEC. 45D. CREDIT FOR PRODUCING OIL AND GAS FROM MARGINAL WELLS.

''(a) GENERAL RULE.—For purposes of section 38, the marginal well production credit for any taxable year is an amount equal to the product of—

''(1) the credit amount, and

''(2) the qualified crude oil production and the qualified natural gas production which is attributable to the taxpayer.

''(b) CREDIT AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The credit amount is—

''(A) $3 per barrel of qualified crude oil production, and

''(B) 50 cents per 1,000 cubic feet of qualified natural gas production.

''(2) REDUCTION AS OIL AND GAS PRICES INCREASE.—

''(A) IN GENERAL.—The $3 and 50 cents amounts under paragraph (1) shall each be reduced (but not below zero) by an amount which bears the same ratio to such amount (determined without regard to this paragraph) as—

''(i) the excess (if any) of the applicable reference price over $14 ($1.56 for qualified natural gas production), bears to

''(ii) $3 ($0.33 for qualified natural gas production).

The applicable reference price for a taxable year is the reference price for the calendar year preceding the calendar year in which the taxable year begins.

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2000, each of the dollar amounts contained in subparagraph (A) shall be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under section 43(b)(3)(B) by substituting '1999' for '1990').

''(C) REFERENCE PRICE.—For purposes of this paragraph, the term 'reference price' means, with respect to any calendar year—

''(i) in the case of qualified crude oil production, the reference price determined under section 29(d)(2)(C), and

''(ii) in the case of qualified natural gas production, the Secretary's estimate of the annual average wellhead price per 1,000 cubic feet for all domestic natural gas.

''(c) QUALIFIED CRUDE OIL AND NATURAL GAS PRODUCTION.—For purposes of this section—

''(1) IN GENERAL.—The terms 'qualified crude oil production' and 'qualified natural gas production' mean domestic crude oil or natural gas which is produced from a marginal well.

''(2) LIMITATION ON AMOUNT OF PRODUCTION WHICH MAY QUALIFY.—

''(A) IN GENERAL.—Crude oil or natural gas produced during any taxable year from any well shall not be treated as qualified crude oil production or qualified natural gas production to the extent production from the well during the taxable year exceeds 1,095 barrels or barrel equivalents.

''(B) PROPORTIONATE REDUCTIONS.—

''(i) SHORT TAXABLE YEARS.—In the case of a short taxable year, the limitations under this paragraph shall be proportionately reduced to reflect the ratio which the number of days in such taxable year bears to 365.

''(ii) WELLS NOT IN PRODUCTION ENTIRE YEAR.—In the case of a well which is not capable of production during each day of a taxable year, the limitations under this paragraph applicable to the well shall be proportionately reduced to reflect the ratio which the number of days of production bears to the total number of days in the taxable year.

''(3) DEFINITIONS.—

''(A) MARGINAL WELL.—The term 'marginal well' means a domestic well—

''(i) the production from which during the taxable year is treated as marginal production under section 613A(c)(6), or

''(ii) which, during the taxable year—

''(I) has average daily production of not more than 25 barrel equivalents, and

''(II) produces water at a rate not less than 95 percent of total well effluent.

''(B) CRUDE OIL, ETC.—The terms 'crude oil', 'natural gas', 'domestic', and 'barrel' have the meanings given such terms by section 613A(e).

''(C) BARREL EQUIVALENT.—The term 'barrel equivalent' means, with respect to natural gas, a conversion ratio of 6,000 cubic feet of natural gas to 1 barrel of crude oil.

''(d) OTHER RULES.—

''(1) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a marginal well in which there is more than one owner of operating interests in the well and the crude oil or natural gas production exceeds the limitation under subsection (c)(2), qualifying crude oil production or qualifying natural gas production attributable to the taxpayer shall be determined on the basis of the ratio which taxpayer's revenue interest in the production bears to the aggregate of the revenue interests of all operating interest owners in the production.

''(2) OPERATING INTEREST REQUIRED.—Any credit under this section may be claimed only on production which is attributable to the holder of an operating interest.

''(3) PRODUCTION FROM NONCONVENTIONAL SOURCES EXCLUDED.—In the case of production from a marginal well which is eligible for the credit allowed under section 29 for the taxable year, no credit shall be allowable under this section unless the taxpayer elects not to claim the credit under section 29 with respect to the well.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the marginal oil and gas well production credit determined under section 45D(a).''.

(c) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 of the Internal Revenue Code of 1986 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following:

''(3) SPECIAL RULES FOR MARGINAL OIL AND GAS WELL PRODUCTION CREDIT.—

''(A) IN GENERAL.—In the case of the marginal oil and gas well production credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the marginal oil and gas well production credit).

''(B) MARGINAL OIL AND GAS WELL PRODUCTION CREDIT.—For purposes of this subsection, the term 'marginal oil and gas well production credit' means the credit allowable under subsection (a) by reason of section 45D(a).''.

(2) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) of such Code is amended by inserting ''or the marginal oil and gas well production credit'' after ''employment credit''.

(d) CARRYBACK.—Subsection (a) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits generally) is amended by adding at the end the following:

''(3) 10-YEAR CARRYBACK FOR MARGINAL OIL AND GAS WELL PRODUCTION CREDIT.—In the case of the marginal oil and gas well production credit—

''(A) this section shall be applied separately from the business credit (other than the marginal oil and gas well production credit),

''(B) paragraph (1) shall be applied by substituting '10 taxable years' for '1 taxable years' in subparagraph (A) thereof, and

''(C) paragraph (2) shall be applied—

''(i) by substituting '31 taxable years' for '21 taxable years' in subparagraph (A) thereof, and

''(ii) by substituting '30 taxable years' for '20 taxable years' in subparagraph (B) thereof.''.

(e) COORDINATION WITH SECTION 29.—Section 29(a) of the Internal Revenue Code of 1986 is amended by striking ''There'' and inserting ''At the election of the taxpayer, there''.

(f) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''45D. Credit for producing oil and gas from marginal wells.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to production after December 31, 2000.

SEC. 63. 10-YEAR CARRYBACK FOR UNUSED MINIMUM TAX CREDIT.

(a) IN GENERAL.—Section 53(c) of the Internal Revenue Code of 1986 (relating to limitation) is amended by adding at the end the following:

''(2) SPECIAL RULE FOR TAXPAYERS WITH UNUSED ENERGY MINIMUM TAX CREDITS.—

''(A) IN GENERAL.—If, during the 10-taxable year period ending with the current taxable year, a taxpayer has an unused energy minimum tax credit for any taxable year in such period (determined without regard to the application of this paragraph to the current taxable year)—

''(i) paragraph (1) shall not apply to each of the taxable years in such period for which the taxpayer has an unused energy minimum tax credit (as so determined), and

''(ii) the credit allowable under subsection (a) for each of such taxable years shall be equal to the excess (if any) of—

''(I) the sum of the regular tax liability and the net minimum tax for such taxable year, over

''(II) the sum of the credits allowable under subparts A, B, D, E, and F of this part.

''(B) ENERGY MINIMUM TAX CREDIT.—For purposes of this paragraph, the term 'energy minimum tax credit' means the minimum tax credit which would be computed with respect to any taxable year if the adjusted net minimum tax were computed by only taking into account items attributable to—

''(i) the taxpayer's mineral interests in oil and gas property, and

''(ii) the taxpayer's active conduct of a trade or business of providing tools, products, personnel, and technical solutions on a contractual basis to persons engaged in oil and gas exploration and production.''.

(b) CONFORMING AMENDMENTS.—Section 53(c) of the Internal Revenue Code of 1986 (as in effect before the amendment made by subsection (a)) is amended—

(1) by striking ''The'' and inserting:

''(1) IN GENERAL.—Except as provided in paragraph (2), the '', and

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000, and to any taxable year beginning on or before such date to the extent necessary to apply section 53(c)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)).

SEC. 64. 10-YEAR NET OPERATING LOSS CARRYBACK FOR LOSSES ATTRIBUTABLE TO OIL SERVICING COMPANIES AND MINERAL INTERESTS OF OIL AND GAS PRODUCERS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) of the Internal Revenue Code of 1986 (relating to years to which loss may be carried) is amended by adding at the end the following:

''(H) LOSSES ON OPERATING MINERAL INTERESTS OF OIL AND GAS PRODUCERS AND OILFIELD SERVICING COMPANIES.—In the case of a taxpayer which has an eligible oil and gas loss (as defined in subsection (j)) for a taxable year, such eligible oil and gas loss shall be a net operating loss carryback to each of the 10 taxable years preceding the taxable year of such loss.''.

(b) ELIGIBLE OIL AND GAS LOSS.—Section 172 of the Internal Revenue Code of 1986 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following:

''(j) ELIGIBLE OIL AND GAS LOSS.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible oil and gas loss' means the lesser of—

''(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to—

''(i) mineral interests in oil and gas wells, and

''(ii) the active conduct of a trade or business of providing tools, products, personnel, and technical solutions on a contractual basis to persons engaged in oil and gas exploration and production,

are taken into account, and

''(B) the amount of the net operating loss for such taxable year.

''(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), an eligible oil and gas loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(3) ELECTION.—Any taxpayer entitled to a 10-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1999, and to any taxable year beginning on or before such date to the extent necessary to apply section 172(b)(1)(H) of the Internal Revenue Code of 1986 (as added by subsection (a)).

SEC. 65. WAIVER OF LIMITATIONS.

If refund or credit of any overpayment of tax resulting from the application of the amendments made by sections 63 and 64 is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 66. ELECTION TO EXPENSE GEOLOGICAL AND GEOPHYSICAL EXPENDITURES AND DELAY RENTAL PAYMENTS.

(a) PURPOSE.—The purpose of this section is to recognize that geological and geophysical expenditures and delay rentals are ordinary and necessary business expenses that should be deducted in the year the expense is incurred.

(b) ELECTION TO EXPENSE GEOLOGICAL AND GEOPHYSICAL EXPENDITURES.—

(1) IN GENERAL.—Section 263 of the Internal Revenue Code of 1986 (relating to capital expenditures) is amended by adding at the end the following:

''(j) GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR DOMESTIC OIL AND GAS WELLS.—Notwithstanding subsection (a), a taxpayer may elect to treat geological and geophysical expenses incurred in connection with the exploration for, or development of, oil or gas within the United States (as defined in section 638) as expenses which are not chargeable to capital account. Any expenses so treated shall be allowed as a deduction in the taxable year in which paid or incurred.''.

(2) CONFORMING AMENDMENT.—Section 263A(c)(3) of such Code is amended by inserting ''263(j),'' after ''263(i),''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to expenses paid or incurred after December 31, 2000.

(B) TRANSITION RULE.—In the case of any expenses described in section 263(j) of the Internal Revenue Code of 1986, as added by this subsection, which were paid or incurred on or before December 31, 2000, the taxpayer may elect, at such time and in such manner as the Secretary of the Treasury may prescribe, to amortize the unamortized portion of such expenses over the 36-month period beginning with the month of January, 2001. For purposes of this subparagraph, the unamortized portion of any expense is the amount remaining unamortized as of the first day of the 36-month period.

(c) ELECTION TO EXPENSE DELAY RENTAL PAYMENTS.—

(1) IN GENERAL.—Section 263 of the Internal Revenue Code of 1986 (relating to capital expenditures), as amended by subsection (b)(1), is amended by adding at the end the following:

''(k) DELAY RENTAL PAYMENTS FOR DOMESTIC OIL AND GAS WELLS.—

''(1) IN GENERAL.—Notwithstanding subsection (a), a taxpayer may elect to treat delay rental payments incurred in connection with the development of oil or gas within the United States (as defined in section 638) as payments which are not chargeable to capital account. Any payments so treated shall be allowed as a deduction in the taxable year in which paid or incurred.

''(2) DELAY RENTAL PAYMENTS.—For purposes of paragraph (1), the term 'delay rental payment' means an amount paid for the privilege of deferring development of an oil or gas well.''.

(2) CONFORMING AMENDMENT.—Section 263A(c)(3) of the Internal Revenue Code of 1986, as amended by subsection (b)(2), is amended by inserting ''263(k),'' after ''263(j),''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to payments made or incurred after December 31, 2000.

(B) TRANSITION RULE.—In the case of any payments described in section 263(k) of the Internal Revenue Code of 1986, as added by this subsection, which were made or incurred on or before December 31, 2000, the taxpayer may elect, at such time and in such manner as the Secretary of the Treasury may prescribe, to amortize the unamortized portion of such payments over the 36-month period beginning with the month of January, 2001. For purposes of this subparagraph, the unamortized portion of any payment is the amount remaining unamortized as of the first day of the 36-month period.

TITLE VII—REVENUE PROVISION

SEC. 71. 4-YEAR AVERAGING FOR CONVERSION OF TRADITIONAL IRA TO ROTH IRA.

(a) IN GENERAL.—Section 408A(d)(3)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking ''January 1, 1999,'' and inserting ''January 1, 2004,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions made after December 31, 2000.

ADDITIONAL COSPONSORS

S. 253

At the request of Mr. MURKOWSKI, the name of the Senator from Idaho (Mr. CRAIG) was withdrawn as a cosponsor of S. 253, a bill to provide for the reorganization of the Ninth Circuit Court of Appeals, and for other purposes.

S. 309

At the request of Mr. MCCAIN, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 309, a bill to amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence.

S. 409

At the request of Mr. KENNEDY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 409, a bill to authorize qualified organizations to provide technical assistance and capacity building services to microenterprise development organizations and programs and to disadvantaged entrepreneurs using funds from the Community Development Financial Institutions Fund, and for other purposes.

S. 424

At the request of Mr. COVERDELL, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 424, a bill to preserve and protect the free choice of individuals and employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 514

At the request of Mr. COCHRAN, the names of the Senator from Maryland (Mr. SARBANES) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 514, a bill to improve the National Writing Project.

S. 632

At the request of Mr. DEWINE, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 632, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 800

At the request of Mr. BURNS, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 800, a bill to promote and enhance public safety through the use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services, and for other purposes.

S. 820

At the request of Mr. BREAUX, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 820, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 872

At the request of Mr. VOINOVICH, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 872, a bill to impose certain limits on the receipt of out-of-State municipal solid waste, to authorize State and local controls over the flow of municipal solid waste, and for other purposes.

S. 882

At the request of Mr. MURKOWSKI, the names of the Senator from Mississippi (Mr. COCHRAN), and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. 882, a bill to strengthen provisions in the Energy Policy Act of 1992 and the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to potential Climate Change.

S. 984

At the request of Ms. COLLINS, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 984, a bill to amend the Internal Revenue Code of 1986 to modify the tax credit for electricity produced from certain renewable resources.

S. 1029

At the request of Mr. COCHRAN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1029, a bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for digital education partnerships.

S. 1038

At the request of Mr. GRASSLEY, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1038, a bill to amend the Internal Revenue Code of 1986 to exempt small issue bonds for agriculture from the State volume cap.

S. 1053

At the request of Mr. BOND, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 1053, a bill to amend the Clean Air Act to incorporate certain provisions of the transportation conformity regulations, as in effect on March 1, 1999.

S. 1070

At the request of Mr. BOND, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1070, a bill to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a standard, regulation or guideline on ergonomics.

S. 1139

At the request of Mr. REID, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1139, a bill to amend title 49, United States Code, relating to civil penalties for unruly passengers of air carriers and to provide for the protection of employees providing air safety information, and for other purposes.

S. 1193

At the request of Mr. LAUTENBERG, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1193, a bill to improve the safety of animals transported on aircraft, and for other purposes.

S. 1196

At the request of Mr. COVERDELL, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1196, a bill to improve the quality, timeliness, and credibility of forensic science services for criminal justice purposes.

S. 1266

At the request of Mr. GORTON, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1266, a bill to allow a State to combine certain funds to improve the academic achievement of all its students.

S. 1318

At the request of Mr. JEFFORDS, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1318, a bill to authorize the Secretary of Housing and Urban Development to award grants to States to supplement State and local assistance for the preservation and promotion of affordable housing opportunities for low-income families.

S. 1345

At the request of Mr. LAUTENBERG, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1345, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as ''Arts Education Month.''

SENATE RESOLUTION 141—TO CONGRATULATE THE UNITED STATES WOMEN'S SOCCER TEAM ON WINNING THE 1999 WOMEN'S WORLD CUP CHAMPIONSHIP

Ms. SNOWE (for herself, Mr. REID, Mrs. MURRAY, Ms. MIKULSKI, Ms. COLLINS, Ms. LANDRIEU, Mrs. FEINSTEIN, Mrs. BOXER, Mrs. HUTCHISON, Mrs. LINCOLN, and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 141

Whereas the Americans blanked Germany in the second half of the quarter finals, before winning 3 to 2, shut out Brazil in the semifinals, 2 to 0, and then stymied China for 120 minutes Saturday, July 10, 1999;

Whereas the Americans, after playing the final match through heat, exhaustion, and tension throughout regulation play and two sudden-death 15-minute overtime periods, out-shot China 5–4 on penalty kicks;

Whereas the Team has brought excitement and pride to the United States with its outstanding play and selfless teamwork throughout the entire World Cup tournament;

Whereas the Americans inspired young women throughout the country to participate in soccer and other competitive sports that can enhance self-esteem and physical fitness;

Whereas the Team has helped to highlight the importance and positive results of title IX of the Education Amendments of 1972 (20 U.S.C. 1681), a law enacted to eliminate sex discrimination in education in the United States and to expand sports participation by girls and women;

Whereas the Team became the first team representing a country hosting the Women's World Cup tournament to win the tournament;

Whereas the popularity of the Team is evidenced by the facts that more fans watched the United States defeat Denmark in the World Cup opener held at Giants Stadium in New Jersey on June 19, 1999, than have ever watched a Giants or Jets National Football League game at that stadium, and over 90,000 people attended the final match in Pasadena, California, the largest attendance ever for a sporting event in which the only competitors were women;

Whereas the United States becomes the first women's team to simultaneously reign as both Olympic and World Cup champions;

Whereas five Americans, forward Mia Hamm, midfielder Michelle Akers, goalkeeper Briana Scurry, and defenders Brandi Chastain and Carla Overbeck, were chosen for the elite 1999 Women's World Cup All-Star team;

Whereas all the members of the 1999 U.S. women's World Cup team—defenders Brandi Chastain, Christie Pearce, Lorrie Fair, Joy Fawcett, Carla Overbeck, and Kate Sobrero; forwards Danielle Fotopoulos, Mia Hamm, Shannon MacMillian, Cindy Parlow, Kristine Lilly, and Tiffeny Milbrett; goalkeepers Tracy Ducar, Briana Scurry, and Saskia Webber; and midfielders Michelle Akers, Julie Foudy, Tiffany Roberts, Tisha Venturini, and Sara Whalen; and coach Tony DiCicco—both on the playing field and on the practice field, demonstrated their devotion to the team and played an important part in the team's success; and

Whereas the Americans will now set their sights on defending their Olympic title in Sydney 2000: Now, therefore, be it

Resolved, That the Senate congratulates the United States Women's Soccer Team on winning the 1999 Women's World Cup Championship.

Mrs. MURRAY. Mr. President, I am very pleased to join Senators SNOWE and REID as a cosponsor of the resolution congratulating the U.S. Women's Soccer Team on their wonderful performance in the 1999 World Cup tournament. Through hard work and dedication, they have achieved the ultimate goal and placed first in the world. This is truly a feat that will inspire women throughout our country to strive to their highest aspirations.

The U.S. Women's Soccer Team will surely have an impact on America's already rising numbers of young women and girls playing sports. They have created a wave of excitement and pride throughout the country, in men and women, boys and girls. All of the women who participated in the World Cup tournament are inspirations throughout the world, to women in their own countries and to women worldwide. Many young women share the dreams the women on the U.S. Women's Soccer Team had. The fact that they were able to accomplish their dreams is an inspiration to all of us. Their win shows that if girls truly believe in themselves and their abilities, their dreams too can come true.

This U.S. Women's Soccer Team also embodies the success of Title IX, a law enacted in 1972 to eliminate sexual discrimination in American education and expand sports participation by girls and women. Without Title IX, it is possible that such a success would never have occurred. It is possible that these women would never have had the chance to play soccer. It is possible that their talent would never have been realized. Title IX gave them a chance. The success of Title IX was made especially vivid in our team's victory.

Young women need positive role models as they are growing up. The U.S. Women's Soccer Team embodies such positive role models. They are women who do not work just for themselves but rather for each other and for their team. Their success shows that women can achieve anything they sincerely put their hearts and minds into. The U.S. Women's Soccer Team has proven to young women that they can prevail not only in athletics, but in anything and everything through hard work and dedication. Such role models are invaluable.

So, yes, the 1999 U.S. Women's Soccer Team joins the ranks of the landmark role models. They will go down in history as the first U.S. women's soccer team to win the World Cup. They will be remembered in the same light as other women who have had a tremendous impact on our society. Their success will not be forgotten, but will live on in its inspiration of many young women and girls throughout our country and world.

I am honored to recognize the U.S. Women's Soccer Team for its glorious victory. These talented, strong, and committed women have done a wonderful job and set a very positive example